

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 2247

6 By: Burns

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to revenue and taxation; enacting the
9 County Road and Bridge Funding Incentive Act of 2023;
10 providing income tax credit for donations to certain
11 counties; specifying amount of income tax credit;
12 providing for credit percentage based upon county
13 population; providing method for determination of
14 county population; prohibiting reduction of income
15 tax liability to less than specified amount;
16 prohibiting claim of income tax credit by legal
17 entities other than natural persons acting in
18 individual capacity; authorizing carryover; providing
19 for fiscal year limit on total credits available;
20 prescribing procedures for computation of fiscal year
21 limit; providing for noncodification; providing for
22 codification; and providing an effective date.

23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

24 SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "County Road and
Bridge Funding Incentive Act of 2023".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2357.801 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. For taxable years beginning on or after January 1, 2024, and
5 ending not later than December 31, 2026, there shall be allowed as a
6 credit against the tax imposed pursuant to Section 2355 of Title 68
7 of the Oklahoma Statutes upon the taxable income of natural persons,
8 for a qualified donation made by a natural person acting in their
9 individual capacity to a county for deposit into its County Road and
10 Bridge Incentive account of its donation fund as follows:

11 1. One hundred percent (100%) of the amount of the donation to
12 a county with a population of less than twenty-five thousand
13 (25,000) persons;

14 2. Seventy-five percent (75%) of the amount of the donation to
15 a county with a population in excess of twenty-five thousand
16 (25,000) persons but not in excess of fifty thousand (50,000)
17 persons;

18 3. Fifty percent (50%) of the amount of the donation to a
19 county with a population in excess of fifty thousand (50,000)
20 persons but not in excess of seventy-five thousand (75,000) persons;
21 or

22 4. Twenty-five percent (25%) of the amount of the donation to a
23 county with a population in excess of seventy-five thousand (75,000)
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1 persons, but not in excess of one hundred thousand (100,000)
2 persons.

3 B. No tax credit otherwise authorized by this section shall be
4 claimed for a donation to a county having a population in excess of
5 one hundred thousand (100,000) persons.

6 C. All population determinations required by this section shall
7 be governed by the Federal Decennial Census or most recent
8 population estimate based on the date of the donation.

9 D. The credit authorized by this section shall not be used to
10 reduce the tax liability of the taxpayer to less than zero (0).

11 E. The credit otherwise authorized by this section may only be
12 used by a natural person for a donation made by that natural person
13 in their individual capacity and shall not be claimed by any other
14 legal entity.

15 F. To the extent not used, the credit authorized by this
16 section may be carried over, in order, to each of the three (3)
17 succeeding taxable years.

18 G. For tax years beginning on or after January 1, 2024, and
19 ending not later than December 31, 2028, the total amount of credits
20 authorized by this section used to offset tax shall be adjusted
21 annually to limit the annual amount of credits to Ten Million
22 Dollars (\$10,000,000.00). The Tax Commission shall annually
23 calculate and publish a percentage by which the credits authorized
24 by this section shall be reduced so the total amount of credits used

1 to offset tax does not exceed Ten Million Dollars (\$10,000,000.00)
2 per year. The formula to be used for the percentage adjustment
3 shall be Ten Million Dollars (\$10,000,000.00) divided by the credits
4 used to offset tax in the second preceding year.

5 H. Pursuant to subsection G of this section, in the event the
6 total tax credits authorized by this section exceed Ten Million
7 Dollars (\$10,000,000.00) in any calendar year, the Tax Commission
8 shall permit any excess over Ten Million Dollars (\$10,000,000.00)
9 but shall factor such excess into the percentage adjustment formula
10 for subsequent years.

11 I. Each county treasurer of the county to which a donation can
12 be made to qualify for the tax credit authorized by this section
13 shall create within the county donation fund an account to be
14 designated the "County Road and Bridge Incentive Account" and any
15 donation made to the county by a natural person for the purpose of
16 qualifying for the income tax credit authorized by this section
17 shall be credited to such account. No funds in the account may be
18 used to acquire new equipment, but may be used for repairs to
19 existing equipment acquired with other funds of the county or
20 acquired by other methods. The balance of the account may be used
21 by the county for improvements to county roads or bridges in
22 accordance with other requirements of law governing such
23 expenditure.

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SECTION 3. This act shall become effective January 1, 2024.

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