

1 ENGROSSED SENATE
2 BILL NO. 1262

By: Thompson (Roger) of the
Senate

3 and

4 Wallace of the House

5
6 An Act relating to income tax; amending 68 O.S. 2021,
7 Section 2370.1, which relates to credit against
8 privilege tax; eliminating certain limitation on fees
9 paid that are eligible for credit; updating statutory
10 language; and providing an effective date.

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

12 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2370.1, is
13 amended to read as follows:

14 Section 2370.1. A. There shall be allowed a credit against the
15 tax imposed by Section 2370 of this title for any state banking
16 association, national banking association, and credit union
17 organized under the laws of this state and whose main office is
18 located in this state for the amount of the guaranty fee paid by the
19 banking association or credit union to the United States Small
20 Business Administration (SBA) pursuant to the "7(a)" loan guaranty
21 program.

22 B. The credit authorized by this section may be claimed for
23 guaranty fees paid ~~on or after January 1, 2022, and before January~~
24

1 ~~1, 2025~~ to the Small Business Administration on behalf of the
2 borrower.

3 C. No credit may be claimed pursuant to this section if,
4 pursuant to the agreement between the banking association or credit
5 union and the entity to which proceeds are made available, the
6 banking association or credit union adds the amount of the SBA 7(a)
7 loan guaranty fee to the amount financed by the borrower or in any
8 other way recovers the guaranty fee amount from the borrower.

9 D. The credit authorized by this section may be claimed and if
10 not fully used in the initial year for which the credit is claimed
11 may be carried over, in order, to each of the five (5) succeeding
12 taxable years. The credit authorized by this section may not be
13 used to reduce the tax liability of the credit claimant below zero
14 (0).

15 E. The Oklahoma Tax Commission shall prepare a report regarding
16 the amount of tax credits claimed as authorized by this section.
17 The report shall be submitted to the Speaker of the House of
18 Representatives and to the President Pro Tempore of the Senate not
19 later than March 31 of each year.

20 F. Pursuant to Section 46A of Title 62 of the Oklahoma
21 Statutes, there shall be a measurable goal of retaining and/or
22 creating two thousand jobs per year in ~~Oklahoma~~ this state for the
23 credit against the tax imposed by Section 2370 of this title.

24 SECTION 2. This act shall become effective January 1, 2025.

1 Passed the Senate the 5th day of March, 2024.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2024.

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8 _____
9 Presiding Officer of the House
10 of Representatives