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February 19, 2024

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 1262

By: Thompson (Roger) of the
Senate

and

Wallace of the House

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

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

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

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

1 B. The credit authorized by this section may be claimed for
2 guaranty fees paid ~~on or after January 1, 2022, and before January~~
3 ~~1, 2025~~ to the Small Business Administration on behalf of the
4 borrower.

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

11 D. The credit authorized by this section may be claimed and if
12 not fully used in the initial year for which the credit is claimed
13 may be carried over, in order, to each of the five (5) succeeding
14 taxable years. The credit authorized by this section may not be
15 used to reduce the tax liability of the credit claimant below zero
16 (0).

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

22 F. Pursuant to Section 46A of Title 62 of the Oklahoma
23 Statutes, there shall be a measurable goal of retaining and/or
24

1 creating two thousand jobs per year in ~~Oklahoma~~ this state for the
2 credit against the tax imposed by Section 2370 of this title.

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

4 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
5 February 19, 2024 - DO PASS
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