

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 900</b>
<b>Version:</b>	<b>SUBREC</b>
<b>Request Number:</b>	<b>8063</b>
<b>Author:</b>	<b>Rep. Boatman</b>
<b>Date:</b>	<b>4/12/2021</b>
<b>Impact:</b>	<b>Tax Commission</b>

**FY-22 Maximum Decrease in Revenue:**  
**(\$7,500,000)**

**Research Analysis**

Pending

Prepared By: House Research Staff

**Fiscal Analysis**

Review provided by the Tax Commission:

The Proposed Subcommittee Substitute for SB 900 (Req. No. 7988) proposes to allow an income tax credit for 50% of an equity investment in an eligible business by an investor, for taxable years 2021 through 2029. Any credit not used in any taxable year may be carried forward for a total of 10 additional years.

“Eligible business” means a business establishment of any legal form that meets at least one of the following requirements:

- Operates in a technology-based industry in this state,
- Is supported by federal small business innovation research grants in this state, or
- Is supported by technology development or seed capital investments made by the Oklahoma Center for the Advancement of Science and Technology.

To determine an investor’s eligibility for the equity investment incentive tax credit, a business will submit an application to the Oklahoma Department of Commerce (Commerce). If Commerce approves the application, the business will sign an equity investment incentive agreement with Commerce. Commerce will send the signed agreement to the Oklahoma Tax Commission and the investor will attach the signed agreement to their income tax return. Commerce is authorized to issue no more than \$7.5 million in tax credits per fiscal year; beginning with the fiscal year starting July 1, 2021.

The estimated annual FY impact will be a decrease in income tax collections of \$7.5 million beginning in FY22.

Prepared By: Mark Tygret

**Other Considerations**

None.

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