

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE BILL 1622

By: Dugger

AS INTRODUCED

An Act relating to income tax; creating tax credits for contractors performing Aging-in-Place residential remodeling; setting amount of credit; defining terms; requiring specified third party verification; limiting certain use of credit; imposing limitation on total credits used to offset tax liability; providing for annual adjustment; prescribing formula; providing for treatment of credits in excess of annual limit; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.406 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning on or after January 1, 2021, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for certified aging-in-place residential remodeling which meets the requirements of this section. The amount of the credit allowed to a contractor shall be limited to Two Thousand Dollars (\$2,000.00) per qualified residence remodeled during the tax year.

1 B. As used in this section:

2 1. "Aging-in-place residential remodeling" means remodeling
3 intended to adapt an existing residence that includes: egress and
4 ingress modifications to entries, main bathroom and kitchen; support
5 for access to toilet and bathing facilities; and width modification
6 to accommodate wheelchair access;

7 2. "Contractor" means a person who performs aging-in-place
8 residential remodeling services for a homeowner; and

9 3. "Homeowner" means a person living in the residence who is
10 sixty-five (65) of age or older, has filed and qualified for a
11 homestead exemption from ad valorem taxes pursuant to Section 2889
12 of Title 68 of the Oklahoma Statutes and has filed and qualified for
13 a limit on the fair cash value of the residence pursuant to Section
14 2890.1 of Title 68 of the Oklahoma Statutes.

15 C. In order to qualify for the credit provided pursuant to this
16 section, a contractor shall obtain third party verification by a
17 Certified Aging-in-Place Specialist, designated by the National
18 Association of Home Builders, that a residence for which the credit
19 is being claimed meets the requirements of this section.

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

22 E. The total amount of credits authorized by this section used
23 to offset tax shall be adjusted annually to limit the annual amount
24 of credits to Two Million Dollars (\$2,000,000.00). The Tax

1 Commission shall annually calculate and publish by the first day of
2 the affected year a percentage by which the credits authorized by
3 this section shall be reduced so the total amount of credits used to
4 offset tax does not exceed Two Million Dollars (\$2,000,000.00) per
5 year. The formula to be used for the percentage adjustment shall be
6 Two Million Dollars (\$2,000,000.00) divided by the credits claimed
7 in the second preceding year.

8 F. In the event the total tax credits authorized by this
9 section exceed Two Million Dollars (\$2,000,000.00) in any calendar
10 year, the Tax Commission shall permit any excess over Two Million
11 Dollars (\$2,000,000.00) but shall factor such excess into the
12 percentage adjustment formula for subsequent years.

13 SECTION 2. This act shall become effective January 1, 2021.
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