

# OKLAHOMA AGRICULTURAL PRODUCER CREDIT

For Oklahoma agricultural producers who invest in Oklahoma agricultural processing or marketing ventures. 68 O.S. Section 2357.25

Name as shown on return (investor)	Social Security Number or Federal Identification Number
Provide the location(s) and the type of agricultural commodities being produced by the investor.	
Name of the agricultural processing cooperative, venture or marketing association	
Federal Employees Identification Number	
Provide the location(s) and the type of agricultural commodities being produced, processed or marketed. Also provide a detailed description of activity.	

CREDIT COMPUTATION	
1. Total Amount of Direct Investment .....	\$ _____
2. Rate .....	30%
3. Total Credit Allowable .....	\$ _____
4. Amount of Credit Used in 1999 (carry to form 511CR) ...	\$ _____
5. Amount of Unused Credit .....	\$ _____

**CREDIT CARRYOVER**-The credit not used may be carried over, in order, to each of the six (6) years following the year in which the investment was originally made. If any of the investment is sold or otherwise disposed of in a year prior to the credit being used, the credit, available for carryover, must be reduced. See below for computation.

TAX YEAR	2000	2001	2002	2003	2004	2005
Unused Credit from Previous Year						
Amount of Credit Used						
Unused Credit Available for Carryover						

### DISPOSITION OF INVESTMENT

For the taxable year during which the investment, or any portion thereof is sold or otherwise disposed of, the amount of the credit allowed in prior years or being allowed in the current year shall be added to Federal Adjusted Gross Income to arrive at Oklahoma Adjusted Gross Income. Any unused carryover credit will be reduced to account for the sale or disposition.

	DOLLAR AMOUNT	
1. Total Amount of Original Investment 1999 .....	1.	00
2. Less: Amount of Investment Sold or Disposed of .....	2.	00
3. Net Investment Remaining after Sale or Disposition .....	3.	00
4. Rate .....	4.	30%
5. Revised Credit Allowable .....	5.	00
6. Less: Credit used in previous or current tax year(s) and not previously recaptured .....	6.	00
Subtract the amount on line 6 from the amount on line 5, if the result is a negative number enter amount on line 7. If the result is a positive number enter amount on line 8.		
7. Credit to be recaptured and included in income. Enter amount as a positive number on the other income or other additions line of the Oklahoma tax return. ....	7.	00
8. Revised credit available for carryover to tax year .....	8.	00

## **AGRICULTURAL CREDIT - SECTION 2357.25**

There shall be allowed a credit for direct investments by Oklahoma agricultural producers in Oklahoma producer-owned agricultural processing cooperatives, ventures or marketing associations created and designed to develop and advance the production, processing, handling and marketing of agricultural commodities grown, made or manufactured in this state. The credit shall be thirty percent (30%) of the amount of the investment. If the credit allowed exceeds the tax liability, the amount of unused credit may be carried forward for a period not to exceed six (6) years.

The credit shall not be available or taken for any calendar year during which the claimant of the credit received any incentive payments pursuant to the Oklahoma Quality Jobs Program Act or the Saving Quality Jobs Act.

### **DEFINITIONS:**

"Oklahoma agricultural producer" means any person who produces agricultural commodities in this state.

"Direct investment" means the payment of money in or the transfer of any form of economic value, whether tangible or intangible, other than money to an Oklahoma producer owned agricultural processing cooperative, venture or marketing association.

"Agricultural commodities" means a farm or ranch product, including but not limited to, wheat, corn, soybeans, cotton, timber, cattle, hogs, sheep, horses, poultry, animals of the families bovidae, cervidae and antilocapridae or birds of the ratite group produced in farming or ranching operations or a product of such crop or livestock in its unmanufactured state such as ginned cotton, wooldip, maple syrup, milk and eggs, or any other commodity listed under any Industry Group Number under Major Group 20 of Division D of the Standard Industrial Classification (SIC) Manual.

"Oklahoma producer-owned agricultural processing cooperative" means a legal entity, in the nature of a partnership or business, undertaking agricultural transactions or agricultural commercial enterprises for mutual profit. The entity must be controlled by the Oklahoma agricultural producers and a community of interest in the performance of the undertaking, transaction or enterprise; a right to direct and govern the policy in connection therewith; and the duty, which may be altered by agreement, to share both in profit and losses are required. The term does not include a cooperative that provides only, and nothing more than, storage, cleaning, or transportation of agricultural commodities.

"Oklahoma producer-owned agricultural processing venture" means a legal entity, in the nature of a corporation or company, organized to invest in or operate an agricultural commodity processing facility. The facility must be operated primarily for the processing or production of marketable products from agricultural commodities. The term does not include a venture that provides only, and nothing more than, storage, cleaning, or transportation of agricultural commodities.

"Oklahoma producer-owned agricultural processing marketing association" means a legal entity organized to jointly market agricultural commodities; facilitate the marketing process; and to promote and stimulate the processing, sales, and marketing of agricultural commodities. The term does not include a marketing association that provides only, and nothing more than, storage, cleaning, or transportation of agricultural commodities.