

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

HOUSE BILL NO. 1873

BY: BRYANT

AS INTRODUCED

AN ACT RELATING TO REVENUE AND TAXATION; AMENDING 68

O.S. 1991, SECTION 2355, WHICH RELATES TO THE
OKLAHOMA INCOME TAX ACT; PROVIDING FOR THE
RETAINING OF HEAD OF HOUSEHOLD STATUS UNDER CERTAIN
CIRCUMSTANCES; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 2355, is
amended to read as follows:

Section 2355. A. Individuals. For all taxable years beginning
after December 31, 1989, a tax is hereby imposed upon the Oklahoma
taxable income of every resident or nonresident individual, which
tax shall be computed at the option of the taxpayer under one of the
two following methods:

METHOD 1. Single individuals and married individuals filing
separately not deducting federal income tax:

1/2% tax on first \$1,000.00 or part thereof

1% tax on next \$1,500.00 or part thereof

2% tax on next \$1,250.00 or part thereof

3% tax on next \$1,150.00 or part thereof

4% tax on next \$1,300.00 or part thereof

5% tax on next \$1,500.00 or part thereof

6% tax on next \$2,300.00 or part thereof

7% tax on the remainder.

Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code and heads of households as defined in the Internal Revenue Code not deducting federal income tax:

1/2% tax on first \$2,000.00 or part thereof

1% tax on next \$3,000.00 or part thereof

2% tax on next \$2,500.00 or part thereof

3% tax on next \$2,300.00 or part thereof

4% tax on next \$2,400.00 or part thereof

5% tax on next \$2,800.00 or part thereof

6% tax on next \$6,000.00 or part thereof

7% tax on the remainder.

METHOD 2. Single individuals and married individuals filing separately deducting federal income tax:

1/2% tax on first \$1,000.00 or part thereof

1% tax on next \$1,500.00 or part thereof

2% tax on next \$1,250.00 or part thereof

3% tax on next \$1,150.00 or part thereof

4% tax on next \$1,200.00 or part thereof

5% tax on next \$1,400.00 or part thereof

6% tax on next \$1,500.00 or part thereof

7% tax on next \$1,500.00 or part thereof

8% tax on next \$2,000.00 or part thereof

9% tax on next \$3,500.00 or part thereof

10% tax on the remainder.

Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue

Code and heads of households as defined in the Internal Revenue Code deducting federal income tax:

1/2% tax on the first \$2,000.00 or part thereof

1% tax on the next \$3,000.00 or part thereof

2% tax on the next \$2,500.00 or part thereof

3% tax on the next \$1,400.00 or part thereof

4% tax on the next \$1,500.00 or part thereof

5% tax on the next \$1,600.00 or part thereof

6% tax on the next \$1,250.00 or part thereof

7% tax on the next \$1,750.00 or part thereof

8% tax on the next \$3,000.00 or part thereof

9% tax on the next \$6,000.00 or part thereof

10% tax on the remainder.

For all taxable years beginning after December 31, 1992, any individual who is sixty-five (65) years of age or older at the close of the tax year, whose federal adjusted gross income is less than Forty Thousand Dollars (\$40,000.00) and who qualifies as a head of household, as defined in the Internal Revenue Code, shall be allowed to retain his or her status as a head of household for purposes of the Oklahoma Income Tax Act after the death of the last qualifying dependent of such individual.

B. Nonresident aliens. In lieu of the rates set forth in subsection A above, there shall be imposed on nonresident aliens, as defined in the Internal Revenue Code, a tax of eight percent (8%) instead of thirty percent (30%) as used in the Internal Revenue Code, with respect to the Oklahoma taxable income of such nonresident aliens as determined under the provision of the Oklahoma Income Tax Act.

Every payer of amounts covered by this subsection B shall deduct and withhold from such amounts paid each payee an amount equal to eight percent (8%) thereof. Every payer required to deduct and withhold taxes under this subsection shall for each quarterly period

on or before the last day of the month following the close of each such quarterly period, pay over the amount so withheld as taxes to the Tax Commission, and shall file a return with each such payment. Such return shall be in such form as the Tax Commission shall prescribe. Every payer required under this subsection to deduct and withhold a tax from a payee shall, as to the total amounts paid to each payee during the calendar year, furnish to such payee, on or before January 31, of the succeeding year, a written statement showing the name of the payer, the name of the payee and his social security account number, if any, the total amount paid subject to taxation, and the total amount deducted and withheld as tax and such other information as the Tax Commission may require. Any payer who fails to withhold or pay to the Tax Commission any sums herein required to be withheld or paid shall be personally and individually liable therefor to the State of Oklahoma.

C. Corporations. For all taxable years beginning after December 31, 1989, a tax is hereby imposed upon the Oklahoma taxable income of every corporation doing business within this state or deriving income from sources within this state in an amount equal to six percent (6%) thereof.

There shall be no additional Oklahoma income tax imposed on accumulated taxable income or on undistributed personal holding company income as those terms are defined in the Internal Revenue Code.

D. Certain foreign corporations. In lieu of the tax imposed in the first paragraph of subsection C, for all taxable years beginning after December 31, 1989, there shall be imposed on foreign corporations, as defined in the Internal Revenue Code, a tax of six percent (6%) instead of thirty percent (30%) as used in the Internal Revenue Code, where such income is received from sources within Oklahoma, in accordance with the provisions of the Internal Revenue Code and the Oklahoma Income Tax Act.

Every payer of amounts covered by this subsection D shall deduct and withhold from such amounts paid each payee an amount equal to six percent (6%) thereof. Every payer required to deduct and withhold taxes under this subsection shall for each quarterly period on or before the last day of the month following the close of each such quarterly period, pay over the amount so withheld as taxes to the Tax Commission, and shall file a return with each such payment. Such return shall be in such form as the Tax Commission shall prescribe. Every payer required under this subsection to deduct and withhold a tax from a payee shall, as to the total amounts paid to each payee during the calendar year, furnish to such payee, on or before January 31, of the succeeding year, a written statement showing the name of the payer, the name of the payee and his social security account number, if any, the total amounts paid subject to taxation, the total amount deducted and withheld as tax and such other information as the Tax Commission may require. Any payer who fails to withhold or pay to the Tax Commission any sums herein required to be withheld or paid shall be personally and individually liable therefor to the State of Oklahoma.

E. Fiduciaries. A tax is hereby imposed upon the Oklahoma taxable income of every trust and estate at the same rates as are provided in subsection A of this section for single individuals. Fiduciaries are not allowed a deduction for any federal income tax paid.

SECTION 2. This act shall become effective January 1, 1993.

43-2-7275

DDL