STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

HOUSE BILL NO. 2575 By: Morgan

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Section 1206, which relates to corporations exempt from franchise tax; exempting certain organizations from franchise tax; providing amount of exemption; providing qualifications and limitations; defining term; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 1206, is amended to read as follows:

Section 1206. A. The terms of this article shall not apply to the following institutions, foreign or domestic: Savings and loan associations, small business investment companies licensed under the Federal Small Business Act of 1958, credit unions, trust companies, real estate trusts operating under the Federal Real Estate Trust Act of 1960, insurance companies, including surety and bond companies, retirement or pension funds, savings banks and savings fund societies; nor to any organization enumerated in Section 1201 of this title if such organization is neither organized for profit nor operated for profit, irrespective of the form of organization.

B. Any corporation, company, association, limited liability company or business trust organized pursuant to the laws of this state or doing business in this state with a capital amount of One Hundred Fifty Thousand Dollars ($150,000.00) or less shall be exempt from the tax levied pursuant to the provisions of this article. The amount of the exemption provided by this subsection shall be limited to twenty percent (20%) for the first taxable year and an additional twenty percent (20%) for each taxable year thereafter until the organization receives a one hundred percent (100%) exemption. The exemption shall not apply for any tax year in which the amount of capital of the organization exceeds the amount specified in this subsection. If an organization exceeds the amount of capital specified in this subsection for any taxable year, but qualifies for the exemption in a subsequent taxable year, the organization shall be entitled to the exemption in the subsequent qualifying taxable year in the same amount as the last qualifying taxable year. As used in this subsection, "capital" shall have the same meaning and be computed in the same manner as provided in Section 1209 of this title.

SECTION 2. This act shall become effective July 1, 1996.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

45-2-8419 JAF