

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

HOUSE BILL HB2044

By: Adair

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Section 2365, which relates to subchapter S corporations; exempting certain subchapter S corporations from certain in lieu of tax; defining term; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 2365, is amended to read as follows:

Section 2365. The provisions, applicable to the taxation of income of corporations and stockholders, electing treatment as provided in subchapter S of the Internal Revenue Code, shall apply equally to taxpayers under this act; ~~a.~~ A corporation having an election in effect under subchapter S of the Internal Revenue Code shall not be subject to the Oklahoma income tax on corporations, and for tax years beginning after December 31, 1997, shall not be subject to the tax imposed by Section 2370 of this title, and the shareholders of ~~said~~ such corporation shall include in their taxable incomes their proportionate part of ~~such corporations'~~ the federal income of such corporation, subject to the modifications as set forth in Sections ~~&~~ 2358 and ~~12 hereof~~ 2362 of this title, in the same manner and to the same extent as provided by the Internal Revenue Code; ~~provided, however, that.~~ However, if any of the shareholders of such corporation are nonresidents during any part of the ~~corporation's~~ taxable year of the corporation, such corporation shall be taxable for such year on that part of the ~~corporation's~~ income of the corporation, as determined ~~under~~ pursuant to Sections

~~§ 2358 and 12 hereof 2362~~ of this title, allocable to the shares of stock owned by such nonresident unless the corporation files with its return for such year an agreement executed by each nonresident stockholder stating that such nonresident will file an Oklahoma income tax return which will include in ~~his Oklahoma nonresident~~ the adjusted gross income of such nonresident that portion of the ~~corporation's~~ Oklahoma taxable income of the corporation allocable to ~~said nonresident's~~ the interest of the nonresident in such corporation. For purposes of this section, the term corporation shall include, without limitation, state banking associations and national banking associations that are organized pursuant to the laws of this state or are located or doing business in this state.

SECTION 2. This act shall become effective January 1, 2001.

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