

ENGROSSED HOUSE
CONCURRENT
RESOLUTION NO. 1079

By: Terrill, Banz and Dank of
the House

and

Branan of the Senate

A Concurrent Resolution relating to revenue and taxation; creating Advisory Task Force on Oklahoma Corporate Income Tax Reform; providing for membership; providing for selection of officers; requiring initial meeting; authorizing meetings; providing for quorum; providing for applicability of Oklahoma Open Meeting Act and Oklahoma Open Records Act; providing for staff assistance; providing for travel reimbursement; imposing duties upon Task Force; requiring recommendations regarding certain income tax laws; requiring final report; providing for cessation of authority; and directing distribution.

WHEREAS, corporate income tax and franchise tax laws have a significant impact upon investment and business location decisions; and

WHEREAS, the restructuring of Oklahoma corporate income tax and franchise tax laws could help create a competitive advantage in attracting businesses to this state; and

WHEREAS, the State of Oklahoma should explore all corporate income tax and franchise tax options for increasing the number of businesses that locate in this state.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE 2ND SESSION OF THE 50TH OKLAHOMA LEGISLATURE, THE SENATE CONCURRING THEREIN:

SECTION 1. A. There is hereby created the Advisory Task Force on Oklahoma Corporate Income Tax Reform.

B. The Task Force shall be composed of the following persons:

1. Two persons to be appointed by the Governor;

2. Two persons to be appointed by the Speaker of the Oklahoma House of Representatives;

3. Two persons to be appointed by the President Pro Tempore of the Oklahoma State Senate;

4. One member, to be selected from among their membership, of the Oklahoma Tax Commission;

5. One member, to be selected by the Oklahoma Society of Certified Public Accountants;

6. One member to be selected by the Oklahoma Bar Association from the membership of the Taxation Section of the Association;

7. One member who shall be the Executive Director of the Oklahoma Department of Commerce or a designee; and

8. One member to be selected by the State Chamber.

C. The Task Force shall select from among its membership a chair and vice-chair.

D. The Task Force shall conduct an initial organizational meeting not later than August 31, 2006. The Task Force shall be authorized to meet as often as necessary in order to perform the duties imposed upon it pursuant to law.

E. For purposes of any action taken by the Task Force, a quorum shall consist of a majority of those members in attendance.

F. The Task Force shall be subject to the Oklahoma Open Meeting Act and the Oklahoma Open Records Act.

G. Staff assistance for the Task Force shall be provided by the Oklahoma House of Representatives, the Oklahoma State Senate and the Oklahoma Tax Commission.

H. Travel reimbursement for the members of the Task Force shall be the responsibility of the appointing authority. Legislative members of the Task Force shall be reimbursed pursuant to the provisions of Section 456 of Title 74 of the Oklahoma Statutes. Nonlegislative members of the Task Force shall be reimbursed pursuant to the State Travel Reimbursement Act.

I. The Task Force shall conduct a thorough study of the statutes, administrative rules and other legal resources governing and interpreting the corporate income tax and the corporate franchise tax. The Task Force shall develop a recommendation, including draft legislation, for the creation of a separate corporate income tax code for the State of Oklahoma to be distinct from the income tax laws governing the income tax liabilities and reporting responsibilities of individual persons. The Task Force shall develop recommendations with the objective of eliminating the franchise tax imposed pursuant to Section 1201 et seq. of Title 68 of the Oklahoma Statutes with consideration given to the revenue loss attributable to the elimination of such taxes and whether a revised corporate income tax structure ought to be designed to compensate for part or all of such revenue losses. The Task Force shall take into consideration the importance of making Oklahoma competitive with surrounding and regional states with respect to the elimination of a separate corporate franchise tax and the possibility of modifying the corporate income tax structure to eliminate competitive disadvantages with the tax structures of other states.

J. The Task Force shall make specific recommendations in the form of a final report to be submitted to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the State Senate not later than December 31, 2006. The final report shall include either specific recommendations for amendments to the Oklahoma Income Tax Code to implement the recommendations or may contain, as an appendix, draft legislation which reflects the recommendations made in the final report.

K. The Task Force shall cease to have any authority or to take any action as of December 31, 2006.

SECTION 2. Copies of this resolution shall be distributed to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Oklahoma Tax Commission.

Adopted by the House of Representatives the 25th day of May, 2006.

Presiding Officer of the House of
Representatives

Adopted by the Senate the ____ day of _____, 2006.

Presiding Officer of the Senate