

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1299

By: Banz

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Sections 1205 and 1210, which relate to the Franchise Tax Code; increasing minimum threshold requirements for tax; increasing dollar amount for filing of minimum franchise tax form; providing for exemption; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2001, Section 1205, is amended to read as follows:

Section 1205. In determining the amount of tax to be levied, assessed and collected under the terms of this Article, the minimum amount shall, ~~in no case,~~ not be less than ~~Ten Dollars (\$10.00)~~ Twenty-five Dollars (\$25.00) unless the corporation or organization is exempt from payment of the tax pursuant to Section 1210 of this title nor shall the maximum amount exceed Twenty Thousand Dollars (\$20,000.00).

SECTION 2. AMENDATORY 68 O.S. 2001, Section 1210, is amended to read as follows:

Section 1210. A. In addition to any other statement required by law, each and every corporation, association or organization, as enumerated in Sections 1201, 1203, and 1204 of this title, subject to the provisions of Section 1201 et seq. of this title, either during the period of July 1 to August 31, inclusive, of each year or on or before the date by which an income tax return is required to be filed pursuant to the provisions of subsection G of Section 2368

of this title or pursuant to the provisions of Section 216 of this title, based upon the election by the taxpayer regarding the due date for payment of tax, shall file with the Tax Commission a statement under oath of its president, secretary or managing officer, or managing agent in this state. The statement shall be in such form as the Tax Commission shall prescribe, including balance sheets as at the close of its last preceding taxable year for which an income tax return was required to be filed, showing the following:

1. The amount of its authorized capital stock, interests, certificates, or other evidence of interest or ownership;

2. The amount thereof then paid up;

3. The number of units into which the same is divided;

4. The par value of each unit and the number of such units issued and outstanding;

5. The location of the office or offices;

6. The value of all property owned or used in its business and wherever located;

7. The value of all property owned or used in its business within this state as it existed on the last day of the tax year;

8. The total amount of all business wherever transacted during the tax year;

9. The total amount of business transacted within the State of Oklahoma during such year; and

10. The names of its officers and the residence and post office address of each as the same appear of record on the last day of the tax year, based upon the election by the taxpayer regarding the due date for payment of tax.

B. If any corporation, association or organization making a return under the provisions of Section 1201 et seq. of this title has no authorized capital, or if any of its shares of stock or other evidences of interest or ownership have no par value, then such

corporation, association or organization shall so state in its return, and shall, in addition thereto, state the book value of its shares of stock or other evidences of interest or ownership. It shall also, in making its return, make the showing required of all other corporations, associations and organizations, and each foreign corporation shall state the name of its registered agent residing at the capital of the state. The return shall be in such form as the Tax Commission shall prescribe.

C. A corporation or organization subject to the tax levied by Section 1203 or Section 1204 of this title for which the computation of capital employed in the state equals or exceeds Sixteen Million Dollars (\$16,000,000.00), shall file a maximum franchise tax return on such form as may be prescribed by the Oklahoma Tax Commission.

D. A corporation or organization subject to the tax levied by Section 1203 or Section 1204 of this title for which the computation of capital employed in this state is ~~Eight Thousand Dollars~~ ~~(\$8,000.00)~~ Twenty Thousand Dollars (\$20,000.00) or less shall be exempt from having to file a minimum franchise tax return on such form as may be prescribed by the Oklahoma Tax Commission and shall have no tax liability.

E. The Oklahoma Tax Commission shall prescribe a form for use by corporations or organizations exempt from the tax pursuant to subsection D of this section and for corporations or organizations subject to the minimum tax and maximum tax imposed by Section 1205 of this title in order for such corporations or organizations to determine if the value of capital employed in this state allows for an exemption or requires filing either a minimum franchise tax return or maximum franchise tax return. If a corporation or organization is exempt or is required to file either the minimum or maximum franchise tax return, such return shall not be subject to the requirements of subsection A of this section and the return shall only contain such information as may be prescribed by the

Commission. The return shall be in such form as the Tax Commission shall prescribe.

SECTION 3. This act shall become effective July 1, 2006.

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