

STATE OF OKLAHOMA

1st Session of the 51st Legislature (2007)

COMMITTEE SUBSTITUTE  
FOR

SENATE BILL 1119

By: Mazzei of the Senate

and

(Jones) of the House

COMMITTEE SUBSTITUTE

[ revenue and taxation - apportionment of sales, use  
and income tax revenues - effective date ]

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

SECTION 1. AMENDATORY 68 O.S. 2001, Section 1353, as  
last amended by Section 17, Chapter 44, 2nd Extraordinary Session,  
O.S.L. 2006 (68 O.S. Supp. 2006, Section 1353), is amended to read  
as follows:

Section 1353. Purpose of Article - Apportionment of Revenues.

It is hereby declared to be the purpose of the Oklahoma Sales  
Tax Code to provide funds for the financing of the program provided  
for by the Oklahoma Social Security Act and to provide revenues for  
the support of the functions of the state government of Oklahoma,  
and for this purpose it is hereby expressly provided that, revenues

1 derived pursuant to the provisions of the Oklahoma Sales Tax Code  
 2 shall be apportioned as follows:

3 1. The following amounts shall be paid to the State Treasurer  
 4 to be placed to the credit of the General Revenue Fund to be paid  
 5 out pursuant to direct appropriation by the Legislature:

| 6 Fiscal Year                         | Amount        |
|---------------------------------------|---------------|
| 7 FY 2003 and FY 2004                 | 86.04%        |
| 8 FY 2005                             | 85.83%        |
| 9 FY 2006                             | 85.54%        |
| 10 FY 2007                            | 85.04%        |
| 11 <del>FY 2008 and each fiscal</del> |               |
| 12 <del>year thereafter</del>         | 83.61%        |
| 13 <u>FY 2009</u>                     | <u>83.11%</u> |
| 14 <u>FY 2010</u>                     | <u>82.61%</u> |
| 15 <u>FY 2011 and each fiscal</u>     |               |
| 16 <u>year thereafter</u>             | <u>82.11%</u> |

17 2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-  
 18 hundredths percent (10.42%), shall be paid to the State Treasurer to  
 19 be placed to the credit of the Education Reform Revolving Fund of  
 20 the State Department of Education and for FY 2006 and each fiscal  
 21 year thereafter, ten and forty-six one hundredths percent (10.46%)  
 22 shall be paid to the State Treasurer to be placed to the credit of  
 23 the Education Reform Revolving Fund of the State Department of  
 24 Education;

1        3. The following amounts shall be paid to the State Treasurer  
 2 to be placed to the credit of the Teachers' Retirement System  
 3 Dedicated Revenue Revolving Fund:

| Fiscal Year  | Amount      |
|--|-------------|
| FY 2003 and FY 2004                                    | 3.54%       |
| FY 2005  | 3.75%       |
| FY 2006  | 4.0%        |
| FY 2007  | 4.5%        |
| <del>FY 2008 and each fiscal<br/>year thereafter</del> | 5.0%        |
| <u>FY 2009</u>   | <u>5.5%</u> |
| <u>FY 2010</u>   | <u>6.0%</u> |
| <u>FY 2011 and each fiscal<br/>year thereafter</u>     | <u>6.5%</u> |

15        4. For the fiscal year beginning July 1, 2007, and for each  
 16 fiscal year thereafter, ninety-three one hundredths percent (0.93%)  
 17 shall be paid to the State Treasurer to be further apportioned as  
 18 follows:

- 19            a. thirty-six percent (36%) shall be placed to the credit  
 20                    of the Oklahoma Tourism Promotion Revolving Fund, and  
 21            b. sixty-four percent (64%) shall be placed to the credit  
 22                    of the Oklahoma Tourism Capital Improvement Revolving  
 23                    Fund.

1 SECTION 2. AMENDATORY 68 O.S. 2001, Section 1403, as  
 2 last amended by Section 18, Chapter 44, 2nd Extraordinary Session,  
 3 O.S.L. 2006 (68 O.S. Supp. 2006, Section 1403), is amended to read  
 4 as follows:

5 Section 1403. It is hereby declared to be the purpose of  
 6 Section 1401 et seq. of this title to provide for the support of the  
 7 functions of the state and local government of Oklahoma; and for  
 8 this purpose and to this end, it is hereby expressly provided that  
 9 the revenues derived hereunder are hereby apportioned as follows:

10 1. The following amounts shall be paid by the Tax Commission to  
 11 the State Treasurer and placed to the credit of the General Revenue  
 12 Fund to be paid out pursuant to direct appropriation by the  
 13 Legislature:

| Fiscal Year                        | Amount        |
|------------------------------------|---------------|
| FY 2004                            | 85.35%        |
| FY 2005                            | 85.14%        |
| FY 2006                            | 85.54%        |
| FY 2007                            | 85.04%        |
| <del>FY 2008 and each fiscal</del> |               |
| <del>year thereafter</del>         | 83.61%        |
| <u>FY 2009</u>                     | <u>83.11%</u> |
| <u>FY 2010</u>                     | <u>82.61%</u> |
| <u>FY 2011 and each fiscal</u>     |               |
| <u>year thereafter</u>             | <u>82.11%</u> |

1        2. Ten and forty-six one hundredths percent (10.46%) shall be  
 2 paid to the State Treasurer to be placed to the credit of the  
 3 Education Reform Revolving Fund of the State Department of  
 4 Education;

5        3. The following amounts shall be paid to the State Treasurer  
 6 to be placed to the credit of the Teachers' Retirement System  
 7 Dedicated Revenue Revolving Fund:

| 8        Fiscal Year                  | Amount      |
|---------------------------------------|-------------|
| 9        FY 2003 and FY 2004          | 3.54%       |
| 10       FY 2005                      | 3.75%       |
| 11       FY 2006                      | 4.0%        |
| 12       FY 2007                      | 4.5%        |
| 13 <del>FY 2008 and each fiscal</del> |             |
| 14 <del>year thereafter</del>         | 5.0%        |
| 15 <u>FY 2009</u>                     | <u>5.5%</u> |
| 16 <u>FY 2010</u>                     | <u>6.0%</u> |
| 17 <u>FY 2011 and each fiscal</u>     |             |
| 18 <u>year thereafter</u>             | <u>6.5%</u> |

19       4. For the fiscal year beginning July 1, 2007, and for each  
 20 fiscal year thereafter, ninety-three one hundredths percent (0.93%)  
 21 shall be paid to the State Treasurer to be further apportioned as  
 22 follows:

23       a. thirty-six percent (36%) shall be placed to the credit  
 24                of the Oklahoma Tourism Promotion Revolving Fund, and

1           b.   sixty-four percent (64%) shall be placed to the credit  
2                   of the Oklahoma Tourism Capital Improvement Revolving  
3                   Fund.

4           SECTION 3.        AMENDATORY        68 O.S. 2001, Section 2352, as  
5   last amended by Section 2, Chapter 444, O.S.L. 2005 (68 O.S. Supp.  
6   2006, Section 2352), is amended to read as follows:

7           Section 2352. It is hereby declared to be the purpose of  
8   Section 2351 et seq. of this title to provide revenue for general  
9   governmental functions of state government; and, for that purpose  
10   and to that end, it is expressly declared that the revenue derived  
11   herefrom and penalties and interest thereon, subject to the  
12   apportionment requirements for the Rebuilding Oklahoma Access and  
13   Driver Safety Fund, the Oklahoma Tourism and Passenger Rail  
14   Revolving Fund and the Public Transit Revolving Fund to be derived  
15   from income tax revenue that would otherwise be apportioned to the  
16   General Revenue Fund as provided by Section ~~± 1521~~ of ~~this act~~ Title  
17   69 of the Oklahoma Statutes, shall be distributed as follows:

18           1. For the fiscal year beginning July 1, 2002, the first Five  
19   Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue  
20   derived pursuant to the provisions of subsections A, B and E of  
21   Section 2355 of this title shall be apportioned to the Education  
22   Reform Revolving Fund. The remainder of such revenue for the fiscal  
23   year beginning July 1, 2002, and all such revenue for each fiscal  
24   year thereafter shall be apportioned monthly as follows:

a. the following amounts shall be paid to the State Treasurer to be placed to the credit of the General Revenue Fund of the state for such fiscal year for the support of the state government to be paid out only pursuant to appropriation by the Legislature:

| Fiscal Year                        | Amount        |
|------------------------------------|---------------|
| FY 2003 and FY 2004                | 87.12%        |
| FY 2005                            | 86.91%        |
| FY 2006                            | 86.66%        |
| FY 2007                            | 86.16%        |
| <del>FY 2008 and each fiscal</del> |               |
| <del>year thereafter</del>         | 85.66%        |
| <u>FY 2009</u>                     | <u>85.16%</u> |
| <u>FY 2010</u>                     | <u>84.66%</u> |
| <u>FY 2011 and each fiscal</u>     |               |
| <u>year thereafter</u>             | <u>84.16%</u> |

b. for FY 2003 and each fiscal year thereafter, eight and thirty-four one-hundredths percent (8.34%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund,

c. the following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

| Fiscal Year | Amount |
|-------------|--------|
|-------------|--------|

|    |                                    |             |
|----|------------------------------------|-------------|
| 1  | FY 2003 and FY 2004                | 3.54%       |
| 2  | FY 2005                            | 3.75%       |
| 3  | FY 2006                            | 4.0%        |
| 4  | FY 2007                            | 4.5%        |
| 5  | <del>FY 2008 and each fiscal</del> |             |
| 6  | <del>year thereafter</del>         | 5.0%        |
| 7  | <u>FY 2009</u>                     | <u>5.5%</u> |
| 8  | <u>FY 2010</u>                     | <u>6.0%</u> |
| 9  | <u>FY 2011 and each fiscal</u>     |             |
| 10 | <u>year thereafter</u>             | <u>6.5%</u> |

d. for FY 2003 and each fiscal year thereafter, one percent (1%) shall be placed to the credit of the Ad Valorem Reimbursement Fund;

2. Beginning July 1, 2003, for any period of time as certified by the Oklahoma Development Finance Authority and the Oklahoma Department of Commerce to be necessary for the repayment of obligations issued by the Oklahoma Development Finance Authority pursuant to Section 3654 of this title if the other sources of revenue paid to or apportioned to the Quality Jobs Program Incentive Leverage Fund are not adequate, including the proceeds from payment pursuant to the guaranty required by subsection M of Section 3654 of this title, an amount certified by the Oklahoma Development Finance Authority to the Oklahoma Tax Commission shall be apportioned to the Quality Jobs Program Incentive Leverage Fund before any other

1 apportionments are made as otherwise authorized by this paragraph.  
 2 The Oklahoma Development Finance Authority shall certify to the  
 3 Oklahoma Tax Commission the time as of which the revenue authorized  
 4 for apportionment pursuant to this paragraph is no longer required.  
 5 After the certification, the revenue derived from the income tax  
 6 shall be apportioned in the manner otherwise provided by this  
 7 section. Except as otherwise provided by this paragraph, for the  
 8 fiscal year beginning July 1, 2002, the first Forty-One Million One  
 9 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of  
 10 revenue derived pursuant to the provisions of subsections C and D of  
 11 Section 2355 of this title shall be apportioned to the Education  
 12 Reform Revolving Fund. The remainder of such revenue for the fiscal  
 13 year beginning July 1, 2002, and all such revenue for each fiscal  
 14 year thereafter shall be apportioned monthly as follows:

15       a. the following amounts shall be paid to the State  
 16            Treasurer to be placed to the credit of the General  
 17            Revenue Fund of the state for such fiscal year for the  
 18            support of the state government to be paid out only  
 19            pursuant to appropriation by the Legislature:

| Fiscal Year         | Amount |
|---------------------|--------|
| FY 2003 and FY 2004 | 78.96% |
| FY 2005             | 78.75% |
| FY 2006             | 78.50% |
| FY 2007             | 78.0%  |

|   |                                    |              |
|---|------------------------------------|--------------|
| 1 | FY 2008 <del>and each fiscal</del> |              |
| 2 | <del>year thereafter</del>         | 77.50%       |
| 3 | <u>FY 2009</u>                     | <u>77.0%</u> |
| 4 | <u>FY 2010</u>                     | <u>76.5%</u> |
| 5 | <u>FY 2011 and each fiscal</u>     |              |
| 6 | <u>year thereafter</u>             | <u>76.0%</u> |

b. for FY 2003 and each fiscal year thereafter, sixteen and five-tenths percent (16.5%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education,

c. the following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

|    |                                    |             |
|----|------------------------------------|-------------|
| 15 | Fiscal Year                        | Amount      |
| 16 | FY 2003 and FY 2004                | 3.54%       |
| 17 | FY 2005                            | 3.75%       |
| 18 | FY 2006                            | 4.0%        |
| 19 | FY 2007                            | 4.5%        |
| 20 | FY 2008 <del>and each fiscal</del> |             |
| 21 | <del>year thereafter</del>         | 5.0%        |
| 22 | <u>FY 2009</u>                     | <u>5.5%</u> |
| 23 | <u>FY 2010</u>                     | <u>6.0%</u> |

24

1           FY 2011 and each fiscal

2           year thereafter

6.5%

3           d.   for FY 2003 and each fiscal year thereafter, one  
4           percent (1%) shall be placed to the credit of the Ad  
5           Valorem Reimbursement Fund.

6           SECTION 4. This act shall become effective November 1, 2007.

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