

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SENATE BILL 1673

By: Wilson

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending
8 Section 4, Chapter 42, 2nd Extraordinary Session,
9 O.S.L. 2006, as last amended by Section 13, Chapter
10 378, O.S.L. 2008 (68 O.S. Supp. 2009, Section
11 2355.1A), which relates to income tax; deleting
12 certain requirement for meeting of State Board of
13 Equalization and specified determination by Board;
14 modifying year during which specified meeting shall
15 occur; modifying basis for determination by Board;
16 and providing effective date.

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

18 SECTION 1. AMENDATORY Section 4, Chapter 42, 2nd
19 Extraordinary Session, O.S.L. 2006, as last amended by Section 13,
20 Chapter 378, O.S.L. 2008 (68 O.S. Supp. 2009, Section 2355.1A), is
21 amended to read as follows:

22 Section 2355.1A A. The provisions of this section shall be
23 applicable with respect to the implementation of the decreases in
24 the top marginal rate of individual income tax otherwise authorized
pursuant to the provisions of subparagraph (h) of paragraphs 1 and 2
of subsection B of Section 2355 of this title which shall be
contingent upon a determination by the State Board of Equalization

1 made by a comparison of the revenue computations described by this
2 section which shall be conducted until the income tax rate of five
3 and twenty-five hundredths percent (5.25%) is effective.

4 B. In addition to any other duties prescribed by law, at the
5 meeting required by paragraph 1 of Section 23 of Article X of the
6 Oklahoma Constitution to be held in December 2008, and for any
7 subsequent December meeting of the State Board of Equalization if
8 the top marginal income tax rate prescribed by subparagraph (h) of
9 paragraphs 1 and 2 of subsection B of Section 2355 of this title has
10 not become effective, the State Board of Equalization shall
11 determine:

12 1. ~~The amount of revenue growth in the General Revenue Fund of~~
13 ~~the State Treasury by comparing the fiscal year General Revenue Fund~~
14 ~~estimate for the fiscal year beginning on the next ensuing July 1~~
15 ~~date to the revised General Revenue Fund estimate for the then~~
16 ~~current fiscal year; and~~

17 2. ~~The amount by which the income tax revenue for the tax year~~
18 ~~which will begin on the second January 1 date following such~~
19 ~~December meeting is estimated to be reduced by the increase in the~~
20 ~~standard deduction provided in paragraph 2 of subsection E of~~
21 ~~Section 2358 of this, plus an amount equal to four percent (4%) of~~
22 ~~the revised General Revenue Fund estimate for the then current~~
23 ~~fiscal year in order for a top marginal income tax rate of five and~~
24 ~~twenty five hundredths percent (5.25%) to be effective.~~

1 ~~If the amount determined pursuant to the provisions of paragraph~~
2 ~~1 of this subsection is equal to or greater than the amount~~
3 ~~determined pursuant to the provisions of paragraph 2 of this~~
4 ~~subsection, the Board shall make a preliminary finding that the~~
5 ~~Board anticipates that a finding will be made at the February~~
6 ~~meeting immediately subsequent to the December meeting that~~
7 ~~applicable revenue growth in the state will authorize the~~
8 ~~implementation of the provisions of subparagraph (h) of paragraphs 1~~
9 ~~and 2 of subsection B of Section 2355 of this title beginning on the~~
10 ~~second January 1 following such December meeting.~~

11 ~~If the amount determined pursuant to the provisions of paragraph~~
12 ~~1 of this subsection is less than the amount determined pursuant to~~
13 ~~the provisions of paragraph 2 of this subsection, the Board shall~~
14 ~~make a preliminary finding that the Board anticipates that a finding~~
15 ~~will be made at the February meeting immediately subsequent to the~~
16 ~~December meeting that applicable revenue growth in the state will~~
17 ~~not authorize the implementation of the provisions of subparagraph~~
18 ~~(h) of paragraphs 1 and 2 of subsection B of Section 2355 of this~~
19 ~~title beginning on the second January 1 following such December~~
20 ~~meeting.~~

21 ~~C. In addition to any other duties prescribed by law, at the~~
22 ~~meeting required by paragraph 3 of Section 23 of Article X of the~~
23 ~~Oklahoma Constitution to be held in February 2009 2011, and for any~~
24 ~~subsequent February meeting of the State Board of Equalization, if~~

1 the top marginal income tax rate prescribed by subparagraph (h) of
2 paragraphs 1 and 2 of subsection B of Section 2355 of this title has
3 not become effective, the State Board of Equalization shall
4 determine:

5 1. The amount of revenue growth in the General Revenue Fund of
6 the State Treasury by comparing the fiscal year General Revenue Fund
7 estimate for the fiscal year beginning on the next ensuing July 1
8 date to the revised General Revenue Fund estimate for the then
9 current fiscal year; and

10 2. The baseline amount which shall be determined by adjusting
11 the actual amount by which the income tax revenue for the tax year
12 which will begin on the January 1 date immediately following such
13 February meeting is estimated to be reduced by the increase in the
14 standard deduction provided in paragraph 2 of subsection E of
15 Section 2358 of this title of revenue which accrued to the General
16 Revenue Fund for fiscal year 2008 to reflect price inflation or
17 deflation for the most recently completed calendar year, as measured
18 by application of the Consumer Price Index, published by the Bureau
19 of Labor Statistics of the U.S. Department of Labor or its successor
20 agency, plus an amount equal to four percent (4%) of the revised
21 General Revenue Fund estimate for the then current fiscal year.

22 If the amount determined pursuant to the provisions of paragraph
23 1 of this subsection is equal to or greater than the amount
24 determined pursuant to the provisions of paragraph 2 of this

1 subsection, the Board shall make a finding that applicable revenue
2 growth in the state will authorize the implementation of the
3 provisions of subparagraph (h) of paragraphs 1 and 2 of subsection B
4 of Section 2355 of this title beginning on the January 1 date
5 immediately following such February meeting.

6 If the amount determined pursuant to the provisions of paragraph
7 1 of this subsection is less than the amount determined pursuant to
8 the provisions of paragraph 2 of this subsection, the Board shall
9 make a finding that applicable revenue growth in the state does not
10 authorize the implementation of the provisions of subparagraph (h)
11 of paragraphs 1 and 2 of subsection B of Section 2355 of this title
12 beginning with the January 1 date immediately following such
13 February meeting.

14 ~~D.~~ C. If the Board makes a finding that applicable revenue
15 growth in the state does not authorize the implementation of the
16 provisions of subparagraph (h) of paragraphs 1 and 2 of subsection B
17 of Section 2355 of this title beginning with calendar year ~~2010~~ 2012
18 pursuant to the provisions of subsection ~~E~~ B of this section, the
19 procedures prescribed by ~~subsection A,~~ subsection B, ~~and subsection~~
20 ~~E~~ of this section shall be repeated by the State Board of
21 Equalization for each successive two-year comparison. Once the
22 income tax rate otherwise authorized pursuant to subparagraph (h) of
23 paragraphs 1 and 2 of subsection B of Section 2355 of this title has
24 been implemented as a result of the analysis ~~of the General Revenue~~

1 ~~Fund estimates together with the fiscal impact of the standard~~
2 ~~deduction as~~ authorized pursuant to paragraph 2 of subsection E of
3 Section 2358 of this title, such income tax rate shall be in effect
4 for the tax years as prescribed by subparagraph (h) of paragraphs 1
5 and 2 of subsection B of Section 2355 of this title.

6 SECTION 2. This act shall become effective January 1, 2011.

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