

STATE OF OKLAHOMA

2nd Session of the 52nd Legislature (2010)

SENATE BILL 2068

By: Sparks

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Sections 1353, as last amended by Section 8, Chapter 278, O.S.L. 2008, 1403, as last amended by Section 9, Chapter 278, O.S.L. 2008 and 2352, as last amended by Section 10, Chapter 278, O.S.L. 2008 (68 O.S. Supp. 2009, Sections 1353, 1403 and 2352), which relate to the apportionment of sales, use and income tax revenues; modifying percentage of sales, use and income tax revenues apportioned to the General Revenue Fund and the Teachers' Retirement System Dedicated Revenue Revolving Fund; and providing an 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 8, Chapter 278, O.S.L. 2008 (68 O.S. Supp. 2009, Section 1353), is amended to read as follows:

Section 1353. A. 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 derived pursuant to the provisions of the

1 Oklahoma Sales Tax Code, subject to the apportionment requirements
 2 for the Oklahoma Tax Commission and Office of State Finance Joint
 3 Computer Enhancement Fund provided by Section ~~6~~ 265 of this ~~act~~
 4 title, shall be apportioned as follows:

- 5 1. a. the following amounts shall be paid to the State
 6 Treasurer to be placed to the credit of the General
 7 Revenue Fund to be paid out pursuant to direct
 8 appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%
FY 2007	85.04%
FY 2008, <u>2009, 2010</u> and each fiscal year	
thereafter <u>2011</u>	83.61%
<u>FY 2012 and each fiscal</u> <u>year thereafter</u>	<u>82.61%</u>

- 19 b. in the event that additional monies are necessary
 20 pursuant to paragraph 5 of this section, such
 21 additional monies shall be deducted in the proportion
 22 determined by the State Board of Equalization pursuant
 23 to paragraph 3 of Section 2355.1B of this title from
 24 the monies apportioned to the General Revenue Fund;

1 2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-
 2 hundredths percent (10.42%), shall be paid to the State Treasurer to
 3 be placed to the credit of the Education Reform Revolving Fund of
 4 the State Department of Education and for FY 2006 and each fiscal
 5 year thereafter, ten and forty-six one-hundredths percent (10.46%)
 6 shall be paid to the State Treasurer to be placed to the credit of
 7 the Education Reform Revolving Fund of the State Department of
 8 Education;

9 3. The following amounts shall be paid to the State Treasurer
 10 to be placed to the credit of the Teachers' Retirement System
 11 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%
FY 2008, <u>2009, 2010</u> and	
each fiscal year	
thereafter <u>2011</u>	5.0%
<u>FY 2012 and each fiscal</u>	
<u>year thereafter</u>	<u>6.0%</u>

22 4. For the fiscal year beginning July 1, 2007, and for each
 23 fiscal year thereafter, ninety-three one-hundredths percent (0.93%)
 24

1 shall be paid to the State Treasurer to be further apportioned as
2 follows:

- 3 a. thirty-six percent (36%) shall be placed to the credit
4 of the Oklahoma Tourism Promotion Revolving Fund, and
5 b. sixty-four percent (64%) shall be placed to the credit
6 of the Oklahoma Tourism Capital Improvement Revolving
7 Fund; and

8 5. During the first fiscal year after the State Board of
9 Equalization has made a determination as provided in Section 2355.1B
10 of this title, regarding a baseline amount of revenue apportioned
11 pursuant to paragraph 3 of this section, and for each fiscal year
12 thereafter, in no event shall monies apportioned pursuant to
13 paragraph 3 of this section, paragraph 3 of Section 1403 of this
14 title and subparagraph c of paragraph 1 of Section 2352 of this
15 title be less than such baseline amount.

16 B. Provided, for the fiscal year beginning July 1, 2007, and
17 every fiscal year thereafter, an amount of revenue shall be
18 apportioned to each municipality or county which levies a sales tax
19 subject to the provisions of Section 1357.10 of this title and
20 subsection F of Section 2701 of this title equal to the amount of
21 sales tax revenue of such municipality or county exempted by the
22 provisions of Section 1357.10 of this title and subsection F of
23 Section 2701 of this title. The Oklahoma Tax Commission shall
24

1 promulgate and adopt rules necessary to implement the provisions of
2 this subsection.

3 SECTION 2. AMENDATORY 68 O.S. 2001, Section 1403, as
4 last amended by Section 9, Chapter 278, O.S.L. 2008 (68 O.S. Supp.
5 2009, Section 1403), is amended to read as follows:

6 Section 1403. It is hereby declared to be the purpose of
7 Section 1401 et seq. of this title to provide for the support of the
8 functions of the state and local government of Oklahoma; and for
9 this purpose and to this end, it is hereby expressly provided that
10 the revenues derived hereunder, subject to the apportionment
11 requirements for the Oklahoma Tax Commission and Office of State
12 Finance Joint Computer Enhancement Fund provided by Section ~~6~~ 265 of
13 this ~~act~~ title, are hereby apportioned as follows:

14 1. a. the following amounts shall be paid by the Tax
15 Commission to the State Treasurer and placed to the
16 credit of the General Revenue Fund to be paid out
17 pursuant to direct appropriation by the Legislature:

Fiscal Year	Amount
FY 2004	85.35%
FY 2005	85.14%
FY 2006	85.54%
FY 2007	85.04%

23
24

1 FY 2008, 2009, 2010 and
 2 ~~each fiscal year~~
 3 ~~thereafter~~ 2011 83.61%
 4 FY 2012 and each fiscal
 5 year thereafter 82.61%

6 b. in the event that additional monies are necessary
 7 pursuant to paragraph 5 of this section, such
 8 additional monies shall be deducted in the proportion
 9 determined by the State Board of Equalization pursuant
 10 to paragraph 3 of Section 2355.1B of this title from
 11 the monies apportioned to the General Revenue Fund;

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

16 3. The following amounts shall be paid to the State Treasurer
 17 to be placed to the credit of the Teachers' Retirement System
 18 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%

1	FY 2008, <u>2009, 2010</u> and	
2	each fiscal year	
3	thereafter <u>2011</u>	5.0%
4	<u>FY 2012 and each fiscal</u>	
5	<u>year thereafter</u>	<u>6.0%</u>

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

- 10 a. thirty-six percent (36%) shall be placed to the credit
- 11 of the Oklahoma Tourism Promotion Revolving Fund, and
- 12 b. sixty-four percent (64%) shall be placed to the credit
- 13 of the Oklahoma Tourism Capital Improvement Revolving
- 14 Fund; and

15 5. During the first fiscal year after the State Board of
 16 Equalization has made a determination as provided in Section 2355.1B
 17 of this title, regarding a baseline amount of revenue apportioned
 18 pursuant to paragraph 3 of this section, and for each fiscal year
 19 thereafter, in no event shall monies apportioned pursuant to
 20 paragraph 3 of this section, paragraph 3 of Section 1353 of this
 21 title and subparagraph c of paragraph 1 of Section 2352 of this
 22 title be less than such baseline amount.

1 SECTION 3. AMENDATORY 68 O.S. 2001, Section 2352, as
2 last amended by Section 10, Chapter 278, O.S.L. 2008 (68 O.S. Supp.
3 2009, Section 2352), is amended to read as follows:

4 Section 2352. It is hereby declared to be the purpose of
5 Section 2351 et seq. of this title to provide revenue for general
6 governmental functions of state government; and, for that purpose
7 and to that end, it is expressly declared that the revenue derived
8 herefrom and penalties and interest thereon, subject to the
9 apportionment requirements for the Rebuilding Oklahoma Access and
10 Driver Safety Fund, the Oklahoma Tourism and Passenger Rail
11 Revolving Fund and the Public Transit Revolving Fund to be derived
12 from income tax revenue that would otherwise be apportioned to the
13 General Revenue Fund as provided by Section 1521 of Title 69 of the
14 Oklahoma Statutes, subject to the apportionment requirements for the
15 Oklahoma Tax Commission and Office of State Finance Joint Computer
16 Enhancement Fund provided by Section ~~6~~ 265 of this ~~act~~ title, shall
17 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. (1) 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%
FY 2008, <u>2009, 2010</u> and each fiscal year	
thereafter <u>2011</u>	85.66%
<u>FY 2012 and each fiscal</u> <u>year thereafter</u>	<u>84.66%</u>

(2) in the event that additional monies are necessary pursuant to paragraph 3 of this section, such additional monies shall be deducted in the proportion determined by the State Board of Equalization pursuant to paragraph 3 of Section 2355.1B of this title from the monies apportioned to the General Revenue Fund,

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
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008, <u>2009, 2010</u> and each fiscal year	
thereafter <u>2011</u>	5.0%
<u>FY 2012 and each fiscal</u> <u>year thereafter</u>	<u>6.0%</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

1 pursuant to Section 3654 of this title if the other sources of
2 revenue paid to or apportioned to the Quality Jobs Program Incentive
3 Leverage Fund are not adequate, including the proceeds from payment
4 pursuant to the guaranty required by subsection M of Section 3654 of
5 this title, an amount certified by the Oklahoma Development Finance
6 Authority to the Oklahoma Tax Commission shall be apportioned to the
7 Quality Jobs Program Incentive Leverage Fund before any other
8 apportionments are made as otherwise authorized by this paragraph.
9 The Oklahoma Development Finance Authority shall certify to the
10 Oklahoma Tax Commission the time as of which the revenue authorized
11 for apportionment pursuant to this paragraph is no longer required.
12 After the certification, the revenue derived from the income tax
13 shall be apportioned in the manner otherwise provided by this
14 section. Except as otherwise provided by this paragraph, for the
15 fiscal year beginning July 1, 2002, the first Forty-One Million One
16 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of
17 revenue derived pursuant to the provisions of subsections C and D of
18 Section 2355 of this title shall be apportioned to the Education
19 Reform Revolving Fund. The remainder of such revenue for the fiscal
20 year beginning July 1, 2002, and all such revenue for each fiscal
21 year thereafter, subject to the apportionment requirements for the
22 Oklahoma Tax Commission and Office of State Finance Joint Computer
23 Enhancement Fund provided by Section ~~6~~ 265 of this ~~act~~ title, shall
24 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	78.96%
FY 2005	78.75%
FY 2006	78.50%
FY 2007	78.0%
FY 2008, <u>2009, 2010</u> and each fiscal year	
thereafter <u>2011</u>	77.50%
<u>Fiscal Year 2012 and</u> <u>each fiscal year</u>	
<u>thereafter</u>	<u>76.50%</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:

1	Fiscal Year	Amount
2	FY 2003 and FY 2004	3.54%
3	FY 2005	3.75%
4	FY 2006	4.0%
5	FY 2007	4.5%
6	FY 2008, <u>2009, 2010</u> and	
7	each fiscal year	
8	thereafter <u>2011</u>	5.0%
9	<u>FY 2012 and each year</u>	
10	<u>thereafter</u>	<u>6.0%</u>

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

14 3. During the first fiscal year after the State Board of
15 Equalization has made a determination as provided in Section 2355.1B
16 of this title, regarding a baseline amount of revenue apportioned
17 pursuant to subparagraph c of paragraph 1 of this section, and for
18 each fiscal year thereafter, in no event shall monies apportioned
19 pursuant to subparagraph c of paragraph 1 of this section, paragraph
20 3 of Section 1353 of this title and paragraph 3 of Section 1403 of
21 this title be less than such baseline amount.

22 SECTION 4. This act shall become effective November 1, 2010.

23
24 52-2-3199 ARE 2/3/2010 7:43:46 PM