

1 ENGROSSED HOUSE  
JOINT  
2 RESOLUTION NO. 1089

By: Steele of the House

3 and

4 Mazzei of the Senate

5  
6  
7 ( Joint Resolution - adding a new Section 5A to  
8 Article X - identification of certain persons -  
9 fiscal impact statement - ballot title -  
10 directing filing )

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14 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE  
15 2ND SESSION OF THE 53RD OKLAHOMA LEGISLATURE:

16 SECTION 1. The Secretary of State shall refer to the people for  
17 their approval or rejection, as and in the manner provided by law,  
18 the following proposed amendment to the Constitution of the State of  
19 Oklahoma by adding a new Section 5A to Article X thereof, to read as  
20 follows:

21 Section 5A. A. As used in this section, "tax credit" means a  
22 method by which a person or entity may reduce any state tax  
23 liability pursuant to a statutory authorization allowing the tax to  
24 be reduced either by a percentage or a specific dollar amount after

1 the applicable tax rate amount has been multiplied by the applicable  
2 tax base amount and which results in a net tax liability after the  
3 tax credit amount has been subtracted from a gross tax liability  
4 amount.

5 B. Any measure providing for a tax credit shall contain  
6 provisions pursuant to which any member of the public can determine  
7 the identity of any person or entity that benefits from the tax  
8 credit after it has been claimed upon a tax return.

9 C. Any tax credit shall provide for the creation of new jobs or  
10 the retention of existing jobs within the State of Oklahoma.

11 D. With respect to each fiscal year of the state, any tax  
12 credit shall be limited based upon the total amount of credits that  
13 may be claimed by one taxpaying entity or based upon the total  
14 amount of credits that may be claimed by all taxpaying entities or  
15 both such limitations.

16 E. Any tax credit passed by the Legislature shall contain a  
17 date certain for the termination of the provisions authorizing the  
18 credit.

19 F. No economic activity that qualifies for a tax credit may  
20 occur without the project costs receiving prior approval by a state  
21 governmental entity to be designated pursuant to law enacted by the  
22 Legislature.

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1 G. Transactions for which a tax credit has been authorized and  
2 which result in a reduction or potential reduction of state revenue  
3 shall be audited by the State Auditor and Inspector.

4 H. No measure containing a tax credit shall receive final  
5 passage by either chamber of the Legislature unless a detailed  
6 fiscal impact statement analyzing the effect of the tax credit on  
7 state revenue and upon the economy of the state is prepared. Such  
8 impact statement shall be made available to each member of the  
9 applicable chamber at least twenty-four (24) hours prior to the  
10 occurrence of the vote upon final passage of the measure.

11 I. No measure containing a tax credit shall be considered  
12 during the last five (5) days of a regular or extraordinary session  
13 of the Legislature.

14 SECTION 2. The Ballot Title for the proposed Constitutional  
15 amendment as set forth in SECTION 1 of this resolution shall be in  
16 the following form:

17 BALLOT TITLE

18 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

19 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

20 This measure amends the Oklahoma Constitution. It would add a  
21 new Section 5A to Article 10. This section relates to laws  
22 which create tax credits. "Tax credit" is defined. Any person  
23 could find out the identity of any person or entity that claimed  
24 a tax credit. Tax credits would have to create new jobs or

1 retain existing jobs. Tax credits would be limited. The limit  
2 could be based on the amount one taxpayer could claim or the  
3 amount all taxpayers could claim or both. Tax credits would  
4 have to be enacted with a date after which the credits would  
5 end. A state government entity would review economic projects  
6 before tax credits could be claimed on a tax return. The State  
7 Auditor and Inspector would audit transactions that benefitted  
8 from tax credits. Before final passage of a bill creating a tax  
9 credit, a fiscal and economic impact statement would be provided  
10 to all lawmakers. No tax credit legislation could be considered  
11 during the last five (5) days of any legislative session.

12 SHALL THE PROPOSAL BE APPROVED?

13 FOR THE PROPOSAL - YES \_\_\_\_\_

14 AGAINST THE PROPOSAL - NO \_\_\_\_\_

15 SECTION 3. The Chief Clerk of the House of Representatives,  
16 immediately after the passage of this resolution, shall prepare and  
17 file one copy thereof, including the Ballot Title set forth in  
18 SECTION 2 hereof, with the Secretary of State and one copy with the  
19 Attorney General.

