ENGROSSED SENATE
BILL NO. 1676

By: Schulz, Sparks, Burrage, Ballenger, Wyrick, Wilson, Johnson (Constance), McAffrey, Adelson, Paddack, Ivester, Eason McIntyre, Garrison, Lerblance and Ellis of the Senate

and

Hickman of the House

[income tax - apportionment - effective date - emergency]

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2352, is amended to read as follows:

Section 2352. A. It is hereby declared to be the purpose of ~~Section 2351 et seq. of this title~~ the Oklahoma Income Tax Act to provide revenue for general governmental functions of state government; and, for that purpose and to that end, it is expressly declared that the revenue derived herefrom and penalties and interest thereon, subject to the apportionment requirements for the Rebuilding Oklahoma Access and Driver Safety Fund, the Oklahoma Tourism and Passenger Rail Revolving Fund and the Public Transit Revolving Fund to be derived from income tax revenue that would otherwise be apportioned to the General Revenue Fund as provided by Section 1521 of Title 69 of the Oklahoma Statutes, subject to the

apportionment requirements for the Oklahoma Tax Commission and Office of State Finance Joint Computer Enhancement Fund provided by Section ~~6 of this act~~ 265 of this title, shall be distributed as follows:

1. For the fiscal year beginning July 1, 2002, the first Five Million Eight Hundred Thousand Dollars ($5,800,000.00) of revenue derived pursuant to the provisions of subsections A, B and E of Section 2355 of this title shall be apportioned to the Education Reform Revolving Fund. The remainder of such revenue for the fiscal year beginning July 1, 2002, and all such revenue for each fiscal 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 ~~and each fiscal year thereafter~~ through FY 2012 85.66%

For FY 2013 and each fiscal year thereafter, a percentage to be determined subject to the provisions of subsection B of this section.

(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 and each fiscal year thereafter 5.0%

d. for FY 2003 ~~and each fiscal year thereafter~~ through FY 2012, one percent (1%), and for FY 2013 and each fiscal year thereafter a percentage to be determined subject to the provisions of subsection B of this section, shall be placed to the credit of the Ad Valorem Reimbursement Fund; and

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 apportionments are made as otherwise authorized by this paragraph. The Oklahoma Development Finance Authority shall certify to the ~~Oklahoma~~ Tax Commission the time as of which the revenue authorized for apportionment pursuant to this paragraph is no longer required.

After the certification, the revenue derived from the income tax shall be apportioned in the manner otherwise provided by this section. Except as otherwise provided by this paragraph, for the fiscal year beginning July 1, 2002, the first Forty-One Million One Hundred Ninety Thousand Eight Hundred Dollars ($41,190,800.00) of revenue derived pursuant to the provisions of subsections C and D of Section 2355 of this title shall be apportioned to the Education Reform Revolving Fund. The remainder of such revenue for the fiscal year beginning July 1, 2002, and all such revenue for each fiscal year thereafter, subject to the apportionment requirements for the Oklahoma Tax Commission and Office of State Finance Joint Computer Enhancement Fund provided by Section ~~6 of this act~~ 265 of this title, 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	78.96%
FY 2005	78.75%
FY 2006	78.50%
FY 2007	78.0%

FY 2008 ~~and each fiscal year thereafter~~ through FY 2012 77.50%

For FY 2013 and each fiscal year thereafter, a percentage to be determined subject to the provisions of subsection C of this section.

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:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

d. for FY 2003 ~~and each fiscal year thereafter~~ through FY 2012, one percent (1%), and for FY 2013 and each fiscal year thereafter a percentage to be determined subject to the provisions of subsection C of this

section shall be placed to the credit of the Ad Valorem Reimbursement Fund; and

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

B. Beginning on July 1, 2012, and each July 1 thereafter, following a fiscal year for which total deposits to the Ad Valorem Reimbursement Fund equal less than Thirty Million Dollars ($30,000,000.00), the monthly apportionment of revenue provided for in division (1) of subparagraph a of paragraph 1 of subsection A of this section shall be reduced from eighty-five and sixty-six one-hundredths percent (85.66%) to eighty-four and sixty-six one-hundredths percent (84.66%) and the monthly apportionment of revenue provided for in subparagraph d of paragraph 1 of subsection A of this section shall be increased from one percent (1%) to two percent (2%), for the current fiscal year.

C. Beginning on July 1, 2012, and each July 1 thereafter, following a fiscal year for which total deposits to the Ad Valorem Reimbursement Fund equal less than Thirty Million Dollars

($30,000,000.00), the monthly apportionment of revenue provided for in subparagraph a of paragraph 2 of subsection A of this section shall be reduced from seventy-seven and fifty one-hundredths percent (77.50%) to seventy-six and fifty one-hundredths percent (76.50%) and the monthly apportionment of revenue provided for in subparagraph d of paragraph 2 of subsection A of this section shall be increased from one percent (1%) to two percent (2%), for the current fiscal year.

SECTION 2. This act shall become effective July 1, 2012.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 14th day of March, 2012.

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Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2012.

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Presiding Officer of the House of Representatives