

# SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION BY SENATE

## FLOOR AMENDMENT

No. \_\_\_\_\_

\_\_\_\_\_  
(Date)

Mr./Madame President:

I move to amend House Bill No. 3038, by striking the title, enacting clause and entire body of the bill and substituting the attached floor substitute.

Submitted by:

\_\_\_\_\_  
Senator Jolley

Jolley-JCR-FS-Req#3381  
4/11/2012 2:43 PM

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 FLOOR SUBSTITUTE  
4 FOR ENGROSSED  
5 HOUSE BILL NO. 3038

6 By: Osborn, Newell, Derby,  
7 Murphey, Brumbaugh,  
8 Blackwell, Hall, McDaniel  
9 (Randy), Holland, Cockroft,  
10 Faught, Tibbs, Grau,  
11 Vaughan, Ortega, Kirby,  
12 Jackson, Armes, Sanders,  
13 Wright, Mulready, Johnson,  
14 Liebmann, Moore,  
15 McCullough, Richardson,  
16 Kern, Wesselhoft and  
17 Reynolds of the House  
18 and

19 Jolley, Holt and Treat of  
20 the Senate

21 FLOOR SUBSTITUTE

22 [ income tax - modifying tax rates - codification -  
23 effective date -  
24 emergency ]

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

26 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1353, is  
27 amended to read as follows:

28 Section 1353. A. It is hereby declared to be the purpose of  
29 the Oklahoma Sales Tax Code to provide funds for the financing of  
30 the program provided for by the Oklahoma Social Security Act and to

1 provide revenues for the support of the functions of the state  
2 government of Oklahoma, and for this purpose it is hereby expressly  
3 provided that, revenues derived pursuant to the provisions of the  
4 Oklahoma Sales Tax Code, subject to the apportionment requirements  
5 for the Oklahoma Tax Commission and Office of State Finance Joint  
6 Computer Enhancement Fund provided by Section 265 of this title,  
7 shall be apportioned as follows:

8 1. a. the following amounts shall be paid to the State  
9 Treasurer to be placed to the credit of the General  
10 Revenue Fund to be paid out pursuant to direct  
11 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%
<del>FY 2008 and each fiscal</del>	
<del>year thereafter</del>	83.61%
<u>FY 2013</u>	<u>83.61%</u>
<u>FY 2014 through FY 2018</u>	<u>81.61%</u>
<u>FY 2019 and thereafter</u>	<u>81.36%</u>

22 b. in the event that additional monies are necessary  
23 pursuant to paragraph 6 of this section, such  
24 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;

2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-hundredths percent (10.42%), 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 and for FY 2006 and each fiscal year thereafter, ten and forty-six one-hundredths percent (10.46%) 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;

3. 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 <del>2008</del> <u>2014</u> and each fiscal year thereafter	<del>5.0%</del> <u>6.5%</u>

4. For the fiscal year beginning July 1, 2010, and for each fiscal year thereafter, eighty-seven one-hundredths percent (0.87%)

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. For the fiscal year beginning July 1, 2010, and for each  
9 fiscal year thereafter, six one-hundredths percent (0.06%) shall be  
10 placed to the credit of the Oklahoma Historical Society Capital  
11 Improvement and Operations Revolving Fund.

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

20 7. For the fiscal year ending June 30, 2014, and for each of  
21 the succeeding four (4) fiscal years, concluding with the fiscal  
22 year ending June 30, 2018, five-tenths of one percent (0.5%) shall  
23 be apportioned to the Ad Valorem Reimbursement Fund created pursuant  
24 to Section 193 of Title 62 of the Oklahoma Statutes which

1 apportionment shall be in addition to any other apportionment made  
2 to the Ad Valorem Reimbursement Fund. For the fiscal year ending  
3 June 30, 2019, and for each fiscal year thereafter, seventy-five  
4 hundredths of one percent (0.75%) shall be apportioned to the Ad  
5 Valorem Reimbursement Fund created pursuant to Section 193 of Title  
6 62 of the Oklahoma Statutes which apportionment shall be in addition  
7 to any other apportionment made to the Ad Valorem Reimbursement  
8 Fund.

9 B. Provided, for the fiscal year beginning July 1, 2007, and  
10 every fiscal year thereafter, an amount of revenue shall be  
11 apportioned to each municipality or county which levies a sales tax  
12 subject to the provisions of Section 1357.10 of this title and  
13 subsection F of Section 2701 of this title equal to the amount of  
14 sales tax revenue of such municipality or county exempted by the  
15 provisions of Section 1357.10 of this title and subsection F of  
16 Section 2701 of this title. The Oklahoma Tax Commission shall  
17 promulgate and adopt rules necessary to implement the provisions of  
18 this subsection.

19 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2355, is  
20 amended to read as follows:

21 Section 2355. A. Individuals. For all taxable years beginning  
22 after December 31, 1998 and before January 1, 2006, a tax is hereby  
23 imposed upon the Oklahoma taxable income of every resident or  
24

1 nonresident individual, which tax shall be computed at the option of  
2 the taxpayer under one of the two following methods:

3 1. METHOD 1.

4 a. Single individuals and married individuals filing  
5 separately not deducting federal income tax:

6 (1) 1/2% tax on first \$1,000.00 or part thereof,

7 (2) 1% tax on next \$1,500.00 or part thereof,

8 (3) 2% tax on next \$1,250.00 or part thereof,

9 (4) 3% tax on next \$1,150.00 or part thereof,

10 (5) 4% tax on next \$1,300.00 or part thereof,

11 (6) 5% tax on next \$1,500.00 or part thereof,

12 (7) 6% tax on next \$2,300.00 or part thereof, and

13 (8) (a) for taxable years beginning after December

14 31, 1998, and before January 1, 2002, 6.75%

15 tax on the remainder,

16 (b) for taxable years beginning on or after

17 January 1, 2002, and before January 1, 2004,

18 7% tax on the remainder, and

19 (c) for taxable years beginning on or after

20 January 1, 2004, 6.65% tax on the remainder.

21 b. Married individuals filing jointly and surviving

22 spouse to the extent and in the manner that a

23 surviving spouse is permitted to file a joint return

24 under the provisions of the Internal Revenue Code and

1 heads of households as defined in the Internal Revenue  
2 Code not deducting federal income tax:

3 (1) 1/2% tax on first \$2,000.00 or part thereof,

4 (2) 1% tax on next \$3,000.00 or part thereof,

5 (3) 2% tax on next \$2,500.00 or part thereof,

6 (4) 3% tax on next \$2,300.00 or part thereof,

7 (5) 4% tax on next \$2,400.00 or part thereof,

8 (6) 5% tax on next \$2,800.00 or part thereof,

9 (7) 6% tax on next \$6,000.00 or part thereof, and

10 (8) (a) for taxable years beginning after December

11 31, 1998, and before January 1, 2002, 6.75%

12 tax on the remainder,

13 (b) for taxable years beginning on or after

14 January 1, 2002, and before January 1, 2004,

15 7% tax on the remainder, and

16 (c) for taxable years beginning on or after

17 January 1, 2004, 6.65% tax on the remainder.

18 2. METHOD 2.

19 a. Single individuals and married individuals filing

20 separately deducting federal income tax:

21 (1) 1/2% tax on first \$1,000.00 or part thereof,

22 (2) 1% tax on next \$1,500.00 or part thereof,

23 (3) 2% tax on next \$1,250.00 or part thereof,

24 (4) 3% tax on next \$1,150.00 or part thereof,

- 1 (5) 4% tax on next \$1,200.00 or part thereof,
- 2 (6) 5% tax on next \$1,400.00 or part thereof,
- 3 (7) 6% tax on next \$1,500.00 or part thereof,
- 4 (8) 7% tax on next \$1,500.00 or part thereof,
- 5 (9) 8% tax on next \$2,000.00 or part thereof,
- 6 (10) 9% tax on next \$3,500.00 or part thereof, and
- 7 (11) 10% tax on the remainder.

8 b. Married individuals filing jointly and surviving  
9 spouse to the extent and in the manner that a  
10 surviving spouse is permitted to file a joint return  
11 under the provisions of the Internal Revenue Code and  
12 heads of households as defined in the Internal Revenue  
13 Code deducting federal income tax:

- 14 (1) 1/2% tax on the first \$2,000.00 or part thereof,
- 15 (2) 1% tax on the next \$3,000.00 or part thereof,
- 16 (3) 2% tax on the next \$2,500.00 or part thereof,
- 17 (4) 3% tax on the next \$1,400.00 or part thereof,
- 18 (5) 4% tax on the next \$1,500.00 or part thereof,
- 19 (6) 5% tax on the next \$1,600.00 or part thereof,
- 20 (7) 6% tax on the next \$1,250.00 or part thereof,
- 21 (8) 7% tax on the next \$1,750.00 or part thereof,
- 22 (9) 8% tax on the next \$3,000.00 or part thereof,
- 23 (10) 9% tax on the next \$6,000.00 or part thereof, and
- 24 (11) 10% tax on the remainder.

1 B. 1. Individuals. For all taxable years beginning on or  
2 after January 1, 2008, and before January 1, 2012, a tax is hereby  
3 imposed upon the Oklahoma taxable income of every resident or  
4 nonresident individual, which tax shall be computed as follows:

5 ~~1.~~

6 a. Single individuals and married individuals filing  
7 separately:

8 ~~(a)~~

9 (1) 1/2% tax on first \$1,000.00 or part thereof,

10 ~~(b)~~

11 (2) 1% tax on next \$1,500.00 or part thereof,

12 ~~(c)~~

13 (3) 2% tax on next \$1,250.00 or part thereof,

14 ~~(d)~~

15 (4) 3% tax on next \$1,150.00 or part thereof,

16 ~~(e)~~

17 (5) 4% tax on next \$2,300.00 or part thereof,

18 ~~(f)~~

19 (6) 5% tax on next \$1,500.00 or part thereof, and

20 ~~(g)~~

21 (7) 5.50% tax on the remainder for the 2008 tax year

22 ~~and any subsequent~~ through the 2011 tax year

23 ~~unless the rate prescribed by subparagraph (h) of~~

24 ~~this paragraph is in effect, and~~

1 ~~(h) 5.25% tax on the remainder for the 2009 and~~  
2 ~~subsequent tax years. The decrease in the top~~  
3 ~~marginal individual income tax rate otherwise~~  
4 ~~authorized by this subparagraph shall be~~  
5 ~~contingent upon the determination required to be~~  
6 ~~made by the State Board of Equalization pursuant~~  
7 ~~to Section 2355.1A of this title.~~

8 ~~2.~~

9 b. Married individuals filing jointly and surviving  
10 spouse to the extent and in the manner that a  
11 surviving spouse is permitted to file a joint return  
12 under the provisions of the Internal Revenue Code and  
13 heads of households as defined in the Internal Revenue  
14 Code:

15 ~~(a)~~

16 (1) 1/2% tax on first \$2,000.00 or part thereof,

17 ~~(b)~~

18 (2) 1% tax on next \$3,000.00 or part thereof,

19 ~~(c)~~

20 (3) 2% tax on next \$2,500.00 or part thereof,

21 ~~(d)~~

22 (4) 3% tax on next \$2,300.00 or part thereof,

23 ~~(e)~~

24 (5) 4% tax on next \$2,400.00 or part thereof,

1 ~~(f)~~

2 (6) 5% tax on next \$2,800.00 or part thereof, and

3 ~~(g)~~

4 (7) 5.50% tax on the remainder for the 2008 tax year

5 ~~and any subsequent through the 2011 tax year~~

6 ~~unless the rate prescribed by subparagraph (h) of~~

7 ~~this paragraph is in effect, and~~

8 ~~(h) 5.25% tax on the remainder for the 2009 and~~

9 ~~subsequent tax years. The decrease in the top~~

10 ~~marginal individual income tax rate otherwise~~

11 ~~authorized by this subparagraph shall be~~

12 ~~contingent upon the determination required to be~~

13 ~~made by the State Board of Equalization pursuant~~

14 ~~to Section 2355.1A of this title.~~

15 2. Individuals. For the taxable year beginning on January 1,

16 2012, a tax is hereby imposed upon the Oklahoma taxable income of

17 every resident or nonresident individual, which tax shall be

18 computed as follows:

19 a. single individuals and married individuals filing

20 separately:

21 (1) 1/2% tax on first \$1,000.00 or part thereof,

22 (2) 1% tax on next \$1,500.00 or part thereof,

23 (3) 2% tax on next \$1,250.00 or part thereof,

24 (4) 3% tax on next \$1,150.00 or part thereof,

- 1           (5) 4% tax on next \$2,300.00 or part thereof,  
2           (6) 5% tax on next \$1,500.00 or part thereof, and  
3           (7) 5.25% tax on the remainder.

4       b. married individuals filing jointly and surviving  
5       spouse to the extent and in the manner that a  
6       surviving spouse is permitted to file a joint return  
7       under the provisions of the Internal Revenue Code and  
8       heads of households as defined in the Internal Revenue  
9       Code:

- 10       (1) 1/2% tax on first \$2,000.00 or part thereof,  
11       (2) 1% tax on next \$3,000.00 or part thereof,  
12       (3) 2% tax on next \$2,500.00 or part thereof,  
13       (4) 3% tax on next \$2,300.00 or part thereof,  
14       (5) 4% tax on next \$2,400.00 or part thereof,  
15       (6) 5% tax on next \$2,800.00 or part thereof, and  
16       (7) 5.25% tax on the remainder.

17       3. Individuals. For taxable years beginning on and after  
18       January 1, 2013, a tax is hereby imposed upon the Oklahoma taxable  
19       income of every resident or nonresident individual, which tax shall  
20       be computed as follows:

21       a. single individuals and married individuals filing  
22       separately:

- 23       (1) 1/2% tax on first \$1,000.00 or part thereof,  
24       (2) 1% tax on next \$1,500.00 or part thereof,

1           (3) 2% tax on next \$1,250.00 or part thereof,  
2           (4) 3% tax on next \$1,150.00 or part thereof,  
3           (5) 4% tax on next \$2,300.00 or part thereof,  
4           (6) 4.95% tax on the remainder unless the rate  
5           prescribed by division 7 of this subparagraph is  
6           in effect;  
7           (7) Contingent upon the determination made by the  
8           State Board of Equalization pursuant to Section 3  
9           of this act, the top marginal tax rate hereby  
10           imposed upon the Oklahoma taxable income of every  
11           resident or nonresident individual may be  
12           decreased in increments of twenty-five hundredths  
13           (0.25) from the tax rate imposed during the  
14           immediately prior tax year until no tax is  
15           levied. During any tax year when the State Board  
16           of Equalization decreases the top marginal rate  
17           to a rate which is less than the rate levied on  
18           the next lowest bracket, the next lowest bracket  
19           shall be eliminated for that tax year and all  
20           subsequent tax years.

21        b. married individuals filing jointly and surviving  
22        spouse to the extent and in the manner that a  
23        surviving spouse is permitted to file a joint return  
24        under the provisions of the Internal Revenue Code and

1 heads of households as defined in the Internal Revenue

2 Code:

3 (1) 1/2% tax on first \$2,000.00 or part thereof,

4 (2) 1% tax on next \$3,000.00 or part thereof,

5 (3) 2% tax on next \$2,500.00 or part thereof,

6 (4) 3% tax on next \$2,300.00 or part thereof,

7 (5) 4% tax on next \$2,400.00 or part thereof,

8 (6) 4.95% tax on the remainder unless the rate

9 prescribed by division (7) of this subparagraph

10 is in effect;

11 (7) Contingent upon the determination made by the

12 State Board of Equalization pursuant to Section 3

13 of this act, the tax rate hereby imposed upon the

14 Oklahoma taxable income of every resident or

15 nonresident individual may be decreased in

16 increments of twenty-five hundredths (0.25) from

17 the tax rate imposed during the immediately prior

18 tax year until no tax is levied. During any tax

19 year when the State Board of Equalization

20 decreases the top marginal rate to a rate which

21 is less than the rate levied on the next lowest

22 bracket, the next lowest bracket shall be

23 eliminated for that tax year and all subsequent

24 tax years.

1 No deduction for federal income taxes paid shall be allowed to  
2 any taxpayer to arrive at taxable income.

3 C. Nonresident aliens. In lieu of the rates set forth in  
4 subsection A above, there shall be imposed on nonresident aliens, as  
5 defined in the Internal Revenue Code, a tax of eight percent (8%)  
6 instead of thirty percent (30%) as used in the Internal Revenue  
7 Code, with respect to the Oklahoma taxable income of such  
8 nonresident aliens as determined under the provision of the Oklahoma  
9 Income Tax Act.

10 Every payer of amounts covered by this subsection shall deduct  
11 and withhold from such amounts paid each payee an amount equal to  
12 eight percent (8%) thereof. Every payer required to deduct and  
13 withhold taxes under this subsection shall for each quarterly period  
14 on or before the last day of the month following the close of each  
15 such quarterly period, pay over the amount so withheld as taxes to  
16 the Tax Commission, and shall file a return with each such payment.  
17 Such return shall be in such form as the Tax Commission shall  
18 prescribe. Every payer required under this subsection to deduct and  
19 withhold a tax from a payee shall, as to the total amounts paid to  
20 each payee during the calendar year, furnish to such payee, on or  
21 before January 31, of the succeeding year, a written statement  
22 showing the name of the payer, the name of the payee and the payee's  
23 social security account number, if any, the total amount paid  
24 subject to taxation, and the total amount deducted and withheld as

1 tax and such other information as the Tax Commission may require.  
2 Any payer who fails to withhold or pay to the Tax Commission any  
3 sums herein required to be withheld or paid shall be personally and  
4 individually liable therefor to the State of Oklahoma.

5 D. Corporations. For all taxable years beginning after  
6 December 31, 1989, a tax is hereby imposed upon the Oklahoma taxable  
7 income of every corporation doing business within this state or  
8 deriving income from sources within this state in an amount equal to  
9 six percent (6%) thereof.

10 There shall be no additional Oklahoma income tax imposed on  
11 accumulated taxable income or on undistributed personal holding  
12 company income as those terms are defined in the Internal Revenue  
13 Code.

14 E. Certain foreign corporations. In lieu of the tax imposed in  
15 the first paragraph of subsection C of this section, for all taxable  
16 years beginning after December 31, 1989, there shall be imposed on  
17 foreign corporations, as defined in the Internal Revenue Code, a tax  
18 of six percent (6%) instead of thirty percent (30%) as used in the  
19 Internal Revenue Code, where such income is received from sources  
20 within Oklahoma, in accordance with the provisions of the Internal  
21 Revenue Code and the Oklahoma Income Tax Act.

22 Every payer of amounts covered by this subsection shall deduct  
23 and withhold from such amounts paid each payee an amount equal to  
24 six percent (6%) thereof. Every payer required to deduct and

1 withhold taxes under this subsection shall for each quarterly period  
2 on or before the last day of the month following the close of each  
3 such quarterly period, pay over the amount so withheld as taxes to  
4 the Tax Commission, and shall file a return with each such payment.  
5 Such return shall be in such form as the Tax Commission shall  
6 prescribe. Every payer required under this subsection to deduct and  
7 withhold a tax from a payee shall, as to the total amounts paid to  
8 each payee during the calendar year, furnish to such payee, on or  
9 before January 31, of the succeeding year, a written statement  
10 showing the name of the payer, the name of the payee and the payee's  
11 social security account number, if any, the total amounts paid  
12 subject to taxation, the total amount deducted and withheld as tax  
13 and such other information as the Tax Commission may require. Any  
14 payer who fails to withhold or pay to the Tax Commission any sums  
15 herein required to be withheld or paid shall be personally and  
16 individually liable therefor to the State of Oklahoma.

17 F. Fiduciaries. A tax is hereby imposed upon the Oklahoma  
18 taxable income of every trust and estate at the same rates as are  
19 provided in subsection B of this section for single individuals.  
20 Fiduciaries are not allowed a deduction for any federal income tax  
21 paid.

22 G. Tax rate tables. For all taxable years beginning after  
23 December 31, 1991, in lieu of the tax imposed by subsection A or B  
24 of this section, as applicable there is hereby imposed for each

1 taxable year on the taxable income of every individual, whose  
2 taxable income for such taxable year does not exceed the ceiling  
3 amount, a tax determined under tables, applicable to such taxable  
4 year which shall be prescribed by the Tax Commission and which shall  
5 be in such form as it determines appropriate. In the table so  
6 prescribed, the amounts of the tax shall be computed on the basis of  
7 the rates prescribed by subsections A and B of this section. For  
8 purposes of this subsection, the term "ceiling amount" means, with  
9 respect to any taxpayer, the amount determined by the Tax Commission  
10 for the tax rate category in which such taxpayer falls.

11 SECTION 3. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 2355.1E of Title 68, unless  
13 there is created a duplication in numbering, reads as follows:

14 A. The provisions of this section shall be applicable with  
15 respect to the implementation of decreases in the top marginal rate  
16 of individual income tax authorized pursuant to the provisions of  
17 division (7) of subparagraphs a and b of paragraph 3 of subsection B  
18 of Section 2355 of Title 68 of the Oklahoma Statutes. The State  
19 Board of Equalization shall make a determination each year pursuant  
20 to subsection B of this section until no income tax is levied.

21 B. 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 2014, the State Board  
24 of Equalization shall:

1        1. Determine the combined amount of revenue collected for the  
2 fiscal year ending on June 30, 2013, from the taxes levied pursuant  
3 to Section 1104 of Title 47, Sections 1354 and 1402 and subsection D  
4 of Section 2355 of Title 68 of the Oklahoma Statutes. Such amount  
5 shall be considered the initial base amount;

6        2. Determine the combined amount of increased revenue collected  
7 from the taxes levied pursuant to Section 1104 of Title 47, Sections  
8 1354 and 1402 and subsection D of Section 2355 of Title 68 of the  
9 Oklahoma Statutes over and above the initial base amount for all of  
10 the fiscal years ending on or after June 30, 2014. Such amount  
11 shall be considered the revenue growth amount;

12        3. Once the amount determined pursuant to paragraph 2 of this  
13 subsection is at least five percent (5%) greater than the initial  
14 base amount determined pursuant to paragraph 1 of this subsection,  
15 the Board shall make a finding that the top marginal income tax rate  
16 levied pursuant to the provisions of division (7) of subparagraphs a  
17 and b of paragraph 3 of subsection B of Section 2355 of Title 68 of  
18 the Oklahoma Statutes shall be decreased by twenty-five hundredths  
19 (0.25%) for the next tax year beginning on January 1;

20        4. If the amount determined pursuant to paragraph 2 of this  
21 subsection is less than five percent (5%) greater than the initial  
22 base amount determined pursuant to paragraph 1 of this subsection,  
23 the Board shall make a finding that the top marginal income tax rate  
24 levied pursuant to the provisions of division (7) of subparagraphs a

1 and b of paragraph 3 of subsection B of Section 2355 of Title 68 of  
2 the Oklahoma Statutes shall not change for the next tax year  
3 beginning on January 1.

4 C. At the meeting required by paragraph 3 of Section 23 of  
5 Article X of the Oklahoma Constitution to be held in any February  
6 which occurs after the first full tax year during which the top  
7 marginal income tax rate reduction provided for in division (7) of  
8 subparagraphs a and b of subparagraph 3 of subsection B of this  
9 section has been in effect, the State Board of Equalization shall:

10 1. Reduce the revenue growth amount by five percent (5%) of the  
11 initial base amount. Such amount shall be the carryover new growth  
12 amount.

13 2. Determine the estimated combined amount of increased revenue  
14 to be collected from the taxes levied pursuant to Section 1104 of  
15 Title 47, Sections 1354 and 1402 and subsection D of Section 2355 of  
16 Title 68 of the Oklahoma Statutes over and above the initial base  
17 amount for all of the fiscal years occurring after the end of the  
18 first full tax year during which a reduced top marginal income tax  
19 rate has been in effect and add such amount to the carryover revenue  
20 growth amount;

21 3. If the amount determined pursuant to paragraph 2 of this  
22 subsection is at least five percent (5%) greater than the initial  
23 base amount, the Board shall make a finding that the top marginal  
24 income tax rate levied pursuant to the provisions of division (7) of

1 subparagraphs a and b of paragraph 3 of subsection B of Section 2355  
2 of Title 68 of the Oklahoma Statutes shall be decreased by twenty-  
3 five hundredths (0.25%) for the next tax year beginning on January  
4 1;

5 4. If the amount determined pursuant to paragraph 2 of this  
6 subsection is less than five percent (5%) greater than the  
7 subsequent base amount determined pursuant to paragraph 1 of this  
8 subsection, the Board shall make a finding that the income tax rate  
9 levied pursuant to the provisions of division (7) of subparagraphs a  
10 and b of paragraph 3 of subsection B of Section 2355 of Title 68 of  
11 the Oklahoma Statutes shall not change.

12 D. The procedures prescribed by this section shall be repeated  
13 by the State Board of Equalization each year until no income tax is  
14 levied pursuant to Section 2355 of Title 68 of the Oklahoma  
15 Statutes.

16 SECTION 4. This act shall become effective July 1, 2012.

17 SECTION 5. It being immediately necessary for the preservation  
18 of the public peace, health and safety, an emergency is hereby  
19 declared to exist, by reason whereof this act shall take effect and  
20 be in full force from and after its passage and approval.

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