

1 **SENATE FLOOR VERSION**

2 April 9, 2012

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

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

SECTION 1. AMENDATORY 68 O.S. 2011, 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

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

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

10	Fiscal Year	Amount
11	FY 2003 and FY 2004	86.04%
12	FY 2005	85.83%
13	FY 2006	85.54%
14	FY 2007	85.04%
15	FY 2008 and each fiscal	
16	year thereafter	83.61%
17	<u>FY 2013</u>	<u>83.61%</u>
18	<u>FY 2014 through FY 2018</u>	<u>81.61%</u>
19	<u>FY 2019 and thereafter</u>	<u>81.36%</u>

20 b. in the event that additional monies are necessary
21 pursuant to paragraph 6 of this section, such
22 additional monies shall be deducted in the proportion
23 determined by the State Board of Equalization pursuant
24

1 to paragraph 3 of Section 2355.1B of this title from
2 the monies apportioned to the General Revenue Fund;

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

11 3. The following amounts shall be paid to the State Treasurer
12 to be placed to the credit of the Teachers' Retirement System
13 Dedicated Revenue Revolving Fund:

14 Fiscal Year	Amount
15 FY 2003 and FY 2004	3.54%
16 FY 2005	3.75%
17 FY 2006	4.0%
18 FY 2007	4.5%
19 FY 2008 <u>2014</u> and each	
20 fiscal year thereafter	5.0% <u>6.5%</u>

21 4. For the fiscal year beginning July 1, 2010, and for each
22 fiscal year thereafter, eighty-seven one-hundredths percent (0.87%)
23 shall be paid to the State Treasurer to be further apportioned as
24 follows:

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

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

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

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

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

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

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

19 Section 2355. A. Individuals. For all taxable years beginning
20 after December 31, 1998 and before January 1, 2006, a tax is hereby
21 imposed upon the Oklahoma taxable income of every resident or
22 nonresident individual, which tax shall be computed at the option of
23 the taxpayer under one of the two following methods:

24 1. METHOD 1.

1 a. Single individuals and married individuals filing
2 separately not deducting federal income tax:

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

4 (2) 1% tax on next \$1,500.00 or part thereof,

5 (3) 2% tax on next \$1,250.00 or part thereof,

6 (4) 3% tax on next \$1,150.00 or part thereof,

7 (5) 4% tax on next \$1,300.00 or part thereof,

8 (6) 5% tax on next \$1,500.00 or part thereof,

9 (7) 6% tax on next \$2,300.00 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 b. Married individuals filing jointly and surviving

19 spouse to the extent and in the manner that a

20 surviving spouse is permitted to file a joint return

21 under the provisions of the Internal Revenue Code and

22 heads of households as defined in the Internal Revenue

23 Code not deducting federal income tax:

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

- 1 (2) 1% tax on next \$3,000.00 or part thereof,
- 2 (3) 2% tax on next \$2,500.00 or part thereof,
- 3 (4) 3% tax on next \$2,300.00 or part thereof,
- 4 (5) 4% tax on next \$2,400.00 or part thereof,
- 5 (6) 5% tax on next \$2,800.00 or part thereof,
- 6 (7) 6% tax on next \$6,000.00 or part thereof, and
- 7 (8) (a) for taxable years beginning after December
- 8 31, 1998, and before January 1, 2002, 6.75%
- 9 tax on the remainder,
- 10 (b) for taxable years beginning on or after
- 11 January 1, 2002, and before January 1, 2004,
- 12 7% tax on the remainder, and
- 13 (c) for taxable years beginning on or after
- 14 January 1, 2004, 6.65% tax on the remainder.

15 2. METHOD 2.

16 a. Single individuals and married individuals filing
17 separately deducting federal income tax:

- 18 (1) 1/2% tax on first \$1,000.00 or part thereof,
- 19 (2) 1% tax on next \$1,500.00 or part thereof,
- 20 (3) 2% tax on next \$1,250.00 or part thereof,
- 21 (4) 3% tax on next \$1,150.00 or part thereof,
- 22 (5) 4% tax on next \$1,200.00 or part thereof,
- 23 (6) 5% tax on next \$1,400.00 or part thereof,
- 24 (7) 6% tax on next \$1,500.00 or part thereof,

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

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

- 11 (1) 1/2% tax on the first \$2,000.00 or part thereof,
12 (2) 1% tax on the next \$3,000.00 or part thereof,
13 (3) 2% tax on the next \$2,500.00 or part thereof,
14 (4) 3% tax on the next \$1,400.00 or part thereof,
15 (5) 4% tax on the next \$1,500.00 or part thereof,
16 (6) 5% tax on the next \$1,600.00 or part thereof,
17 (7) 6% tax on the next \$1,250.00 or part thereof,
18 (8) 7% tax on the next \$1,750.00 or part thereof,
19 (9) 8% tax on the next \$3,000.00 or part thereof,
20 (10) 9% tax on the next \$6,000.00 or part thereof, and
21 (11) 10% tax on the remainder.

22 B. 1. Individuals. For all taxable years beginning on or
23 after January 1, 2008, and before January 1, 2012, a tax is hereby
24

1 imposed upon the Oklahoma taxable income of every resident or
2 nonresident individual, which tax shall be computed as follows:

3 ~~1.~~

4 a. Single individuals and married individuals filing
5 separately:

6 ~~(a)~~

7 (1) 1/2% tax on first \$1,000.00 or part thereof,

8 ~~(b)~~

9 (2) 1% tax on next \$1,500.00 or part thereof,

10 ~~(c)~~

11 (3) 2% tax on next \$1,250.00 or part thereof,

12 ~~(d)~~

13 (4) 3% tax on next \$1,150.00 or part thereof,

14 ~~(e)~~

15 (5) 4% tax on next \$2,300.00 or part thereof,

16 ~~(f)~~

17 (6) 5% tax on next \$1,500.00 or part thereof, and

18 ~~(g)~~

19 (7) 5.50% tax on the remainder for the 2008 tax year

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

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

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

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

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

1 ~~marginal individual income tax rate otherwise~~
2 ~~authorized by this subparagraph shall be~~
3 ~~contingent upon the determination required to be~~
4 ~~made by the State Board of Equalization pursuant~~
5 ~~to Section 2355.1A of this title.~~

6 ~~2.~~

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

13 ~~(a)~~

14 (1) 1/2% tax on first \$2,000.00 or part thereof,

15 ~~(b)~~

16 (2) 1% tax on next \$3,000.00 or part thereof,

17 ~~(c)~~

18 (3) 2% tax on next \$2,500.00 or part thereof,

19 ~~(d)~~

20 (4) 3% tax on next \$2,300.00 or part thereof,

21 ~~(e)~~

22 (5) 4% tax on next \$2,400.00 or part thereof,

23 ~~(f)~~

24 (6) 5% tax on next \$2,800.00 or part thereof, and

1 ~~(g)~~

2 (7) 5.50% tax on the remainder for the 2008 tax year
3 ~~and any subsequent through the 2011 tax year~~
4 ~~unless the rate prescribed by subparagraph (h) of~~
5 ~~this paragraph is in effect, and~~

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

13 2. Individuals. For the taxable year beginning on January 1,
14 2012, a tax is hereby imposed upon the Oklahoma taxable income of
15 every resident or nonresident individual, which tax shall be
16 computed as follows:

17 a. single individuals and married individuals filing
18 separately:

19 (1) 1/2% tax on first \$1,000.00 or part thereof,

20 (2) 1% tax on next \$1,500.00 or part thereof,

21 (3) 2% tax on next \$1,250.00 or part thereof,

22 (4) 3% tax on next \$1,150.00 or part thereof,

23 (5) 4% tax on next \$2,300.00 or part thereof,

24 (6) 5% tax on next \$1,500.00 or part thereof, and

1 (7) 5.25% tax on the remainder.

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

8 (1) 1/2% tax on first \$2,000.00 or part thereof,

9 (2) 1% tax on next \$3,000.00 or part thereof,

10 (3) 2% tax on next \$2,500.00 or part thereof,

11 (4) 3% tax on next \$2,300.00 or part thereof,

12 (5) 4% tax on next \$2,400.00 or part thereof,

13 (6) 5% tax on next \$2,800.00 or part thereof, and

14 (7) 5.25% tax on the remainder.

15 3. Individuals.

16 a. for taxable years beginning on and after January 1,
17 2013, no tax shall be imposed for any resident or
18 nonresident:

19 (1) single individuals and married individuals filing
20 separately whose Oklahoma taxable income is equal
21 to or less than Eight Thousand Seven Hundred
22 Dollars (\$8,700.00), and

23 (2) married individuals filing jointly and surviving
24 spouse to the extent and in the manner that a

1 surviving spouse is permitted to file a joint
2 return under the provisions of the Internal
3 Revenue Code and heads of households as defined
4 in the Internal Revenue Code, whose Oklahoma
5 taxable income is equal to or less than Fifteen
6 Thousand Dollars (\$15,000.00).

7 b. for all taxable years beginning on or after January 1,
8 2013, unless the rate prescribed by subparagraph c of
9 this paragraph is in effect, a tax of 2.5% is hereby
10 imposed upon the Oklahoma taxable income of every
11 resident or nonresident individual not subject to the
12 income threshold provided for in subparagraph a of
13 this paragraph.

14 c. contingent upon a determination required to be made by
15 the State Board of Equalization pursuant to Section 3
16 of this act, the tax rate hereby imposed upon the
17 Oklahoma taxable income of every resident or
18 nonresident individual not subject to the income
19 threshold provided for in subparagraph a of this
20 paragraph may be decreased in increments of twenty-
21 five hundredths (0.25) from the tax rate imposed
22 during the immediately prior tax year until no tax is
23 levied.

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 rate of individual
16 income tax authorized pursuant to the provisions of subparagraph c
17 of paragraph 3 of subsection B of Section 2355 of Title 68 of the
18 Oklahoma Statutes. The State Board of Equalization shall make a
19 determination each year pursuant to subsection B of this section
20 until no income tax rate 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 income tax rate levied
16 pursuant to the provisions of paragraph 3 of subsection B of Section
17 2355 of Title 68 of the Oklahoma Statutes shall be decreased by
18 twenty-five hundredths (0.25%) for the next tax year beginning on
19 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 income tax rate levied
24 pursuant to the provisions of paragraph 3 of subsection B of Section

1 2355 of Title 68 of the Oklahoma Statutes shall not change for the
2 next tax year beginning on January 1.

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

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

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

20 3. If the amount determined pursuant to paragraph 2 of this
21 subsection is at least five percent (5%) greater than the initial
22 base amount, the Board shall make a finding that the income tax rate
23 levied pursuant to the provisions of paragraph 3 of subsection B of
24 Section 2355 of Title 68 of the Oklahoma Statutes shall be decreased

1 by twenty-five hundredths (0.25%) for the next tax year beginning on
2 January 1;

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

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

13 SECTION 4. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2355.3 of Title 68, unless there
15 is created a duplication in numbering, reads as follows:

16 For the tax year beginning on January 1, 2013, and all
17 subsequent tax years, no individual taxpayer may claim any credit,
18 deduction, exemption or exclusion against the tax imposed by
19 subsection B of Section 2355 of Title 68 of the Oklahoma Statutes
20 except as otherwise provided in paragraphs 5, 9, 10, 11, 15, 19 and
21 20 of subsection E of Section 2358 of Title 68 of the Oklahoma
22 Statutes. For purposes of this section, "individual taxpayer" does
23 not include a legal business entity, including limited and general
24 partnerships, corporations, sole proprietorships and limited

1 liability companies even if subject to the tax imposed by subsection
2 B of Section 2355 of Title 68 of the Oklahoma Statutes.

3 SECTION 5. This act shall become effective July 1, 2012.

4 SECTION 6. It being immediately necessary for the preservation
5 of the public peace, health and safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-3-12 - DO PASS,
9 As Amended and Coauthored.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24