

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3097

By: Williams

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; repealing 68
8 O.S. 2011, Sections 1212.1, 1217, 1218, 1219, 1220,
9 1221, 1222, 1223, 1224, 1225, 1226, 1227 and 1228,
10 which relate to the Oklahoma Franchise Tax and the
11 Oklahoma Business Activity Tax; repealing 18 O.S.
12 2011, Section 1142.2, which relates to a credit
13 against certain registration fees; amending 68 O.S.
14 2011, Section 2370, which relates to a privilege tax;
15 modifying reference to Oklahoma Business Activity
16 Tax; providing an effective date; and declaring an
17 emergency.

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

20 SECTION 1. REPEALER 68 O.S. 2011, Sections 1212.1, 1217,
21 1218, 1219, 1220, 1221, 1222, 1223, 1224, 1225, 1226, 1227 and 1228,
22 are hereby repealed.

23 SECTION 2. REPEALER 18 O.S. 2011, Section 1142.2, is
24 hereby repealed.

SECTION 3. AMENDATORY 68 O.S. 2011, Section 2370, is
amended to read as follows:

Section 2370. A. For taxable years beginning after December
31, 1989, for the privilege of doing business within this state,

1 every state banking association, national banking association and
2 credit union organized under the laws of this state, located or
3 doing business within the limits of the State of Oklahoma shall
4 annually pay to this state a privilege tax at the rate of six
5 percent (6%) of the amount of the taxable income as provided in this
6 section.

7 B. 1. The privilege tax levied by this section shall be in
8 addition to ~~the Business Activity Tax levied in Section 1218 of this~~
9 ~~title and~~ the franchise tax levied in Article 12 of this title and
10 in lieu of the tax levied by Section 2355 of this title and in lieu
11 of all taxes levied by the State of Oklahoma, or any subdivision
12 thereof, upon the shares of stock or personal property of any
13 banking association or credit union subject to taxation under this
14 section.

15 2. Nothing in this section shall be construed to exempt the
16 real property of any banking associations or credit unions from
17 taxation to the same extent, according to its value, as other real
18 property is taxed. Nothing herein shall be construed to exempt an
19 association from payment of any fee or tax authorized or levied
20 pursuant to the banking laws.

21 3. Personal property which is subject to a lease agreement
22 between a bank or credit union, as lessor, and a nonbanking business
23 entity or individual, as lessee, is not exempt from personal
24 property ad valorem taxation. Provided further, that it shall be

1 the duty of the lessee of such personal property to return sworn
2 lists or schedules of their taxable property within each county to
3 the county assessor of such county as provided in Sections 2433 and
4 2434 of this title.

5 C. Any tax levied under this section shall accrue on the last
6 day of the taxable year and be payable as provided in Section 2375
7 of this title. The accrual of such tax for the first taxable year
8 to which this act applies, shall apply notwithstanding the prior
9 accrual of a tax in the same taxable year based upon the net income
10 of the next preceding taxable year; provided, however, any
11 additional deduction enuring to the benefit of the taxpayer shall be
12 deducted in accordance with the optional transitional deduction
13 procedures in Section 2354 of this title.

14 D. The basis of the tax shall be United States taxable income
15 as defined in paragraph 10 of Section 2353 of this title and any
16 adjustments thereto under the provisions of Section 2358 of this
17 title with the following adjustments:

18 1. There shall be deducted all interest income on obligations
19 of the United States government and agencies thereof not otherwise
20 exempted and all interest income on obligations of the State of
21 Oklahoma or political subdivisions thereof, including public trust
22 authorities, not otherwise exempted under the laws of this state;
23 and
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1 2. Expense deductions claimed in arriving at taxable income
2 under paragraph 10 of Section 2353 of this title shall be reduced by
3 an amount equal to fifty percent (50%) of excluded interest income
4 on obligations of the United States government or agencies thereof
5 and obligations of the State of Oklahoma or political subdivisions
6 thereof.

7 E. 1. Except as otherwise provided in paragraph 2 of this
8 subsection, there shall be allowed a credit against the tax levied
9 in subsection A of this section in an amount equal to the amount of
10 taxable income received by a participating financial institution as
11 defined in Section 90.2 of Title 62 of the Oklahoma Statutes
12 pursuant to a loan made under the Rural Economic Development Loan
13 Act. Such credit shall be limited each year to five percent (5%) of
14 the amount of annual payroll certified by the Oklahoma Rural
15 Economic Development Loan Program Review Board pursuant to the
16 provisions of paragraph 3 of subsection B of Section 90.4 of Title
17 62 of the Oklahoma Statutes with respect to the loan made by the
18 participating financial institution and may be claimed for any
19 number of years necessary until the amount of total credits claimed
20 is equal to the total amount of taxable income received by the
21 participating financial institution pursuant to the loan. Any
22 credit allowed but not used in a taxable year may be carried forward
23 for a period not to exceed five (5) taxable years. In no event
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1 shall a credit allowed pursuant to the provisions of this subsection
2 be transferable or refundable.

3 2. No credit otherwise authorized by the provisions of this
4 subsection may be claimed for any event, transaction, investment,
5 expenditure or other act occurring on or after July 1, 2010 for
6 which the credit would otherwise be allowable. The provisions of
7 this paragraph shall cease to be operative on July 1, 2012.
8 Beginning July 1, 2012, the credit authorized by this subsection may
9 be claimed for any event, transaction, investment, expenditure or
10 other act occurring on or after July 1, 2012, according to the
11 provisions of this subsection.

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

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

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