

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 2508

By: Sears

5  
6  
7  
8 COMMITTEE SUBSTITUTE

9 [ revenue and taxation - income tax - rates -  
10 effective date ]

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12  
13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2355, as  
15 amended by Section 2, Chapter 253, O.S.L. 2013 (68 O.S. Supp. 2013,  
16 Section 2355), is amended to read as follows:

17 Section 2355. A. Individuals. For all taxable years beginning  
18 after December 31, 1998~~7~~ and before January 1, 2006, a tax is hereby  
19 imposed upon the Oklahoma taxable income of every resident or  
20 nonresident individual, which tax shall be computed at the option of  
21 the taxpayer under one of the two following methods:

22 1. METHOD 1.

23 a. Single individuals and married individuals filing  
24 separately not deducting federal income tax:

- 1 (1) 1/2% tax on first \$1,000.00 or part thereof,
- 2 (2) 1% tax on next \$1,500.00 or part thereof,
- 3 (3) 2% tax on next \$1,250.00 or part thereof,
- 4 (4) 3% tax on next \$1,150.00 or part thereof,
- 5 (5) 4% tax on next \$1,300.00 or part thereof,
- 6 (6) 5% tax on next \$1,500.00 or part thereof,
- 7 (7) 6% tax on next \$2,300.00 or part thereof, and
- 8 (8) (a) for taxable years beginning after December  
9 31, 1998, and before January 1, 2002, 6.75%  
10 tax on the remainder,  
11 (b) for taxable years beginning on or after  
12 January 1, 2002, and before January 1, 2004,  
13 7% tax on the remainder, and  
14 (c) for taxable years beginning on or after  
15 January 1, 2004, 6.65% tax on the remainder.

16 b. Married individuals filing jointly and surviving  
17 spouse to the extent and in the manner that a  
18 surviving spouse is permitted to file a joint return  
19 under the provisions of the Internal Revenue Code and  
20 heads of households as defined in the Internal Revenue  
21 Code not deducting federal income tax:

- 22 (1) 1/2% tax on first \$2,000.00 or part thereof,
- 23 (2) 1% tax on next \$3,000.00 or part thereof,
- 24 (3) 2% tax on next \$2,500.00 or part thereof,

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

13 2. METHOD 2.

14 a. Single individuals and married individuals filing  
15 separately deducting federal income tax:

- 16 (1) 1/2% tax on first \$1,000.00 or part thereof,  
17 (2) 1% tax on next \$1,500.00 or part thereof,  
18 (3) 2% tax on next \$1,250.00 or part thereof,  
19 (4) 3% tax on next \$1,150.00 or part thereof,  
20 (5) 4% tax on next \$1,200.00 or part thereof,  
21 (6) 5% tax on next \$1,400.00 or part thereof,  
22 (7) 6% tax on next \$1,500.00 or part thereof,  
23 (8) 7% tax on next \$1,500.00 or part thereof,  
24 (9) 8% tax on next \$2,000.00 or part thereof,

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

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

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

20 B. Individuals. For all taxable years beginning on or after  
21 January 1, 2008, ~~and ending not later than December 31, 2014,~~ a tax  
22 is hereby imposed upon the Oklahoma taxable income of every resident  
23 or nonresident individual, which tax shall be computed as follows:  
24

1        1. Single individuals and married individuals filing  
2 separately:

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

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

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

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

7            (e) 4% tax on next \$2,300.00 or part thereof,

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

9            (g) 5.50% tax on the remainder for the 2008 tax year and  
10 any subsequent tax year unless the rate prescribed by  
11 subparagraph (h) of this paragraph is in effect, and

12            (h) 5.25% tax on the remainder for the 2009 and subsequent  
13 tax years. The decrease in the top marginal  
14 individual income tax rate otherwise authorized by  
15 this subparagraph shall be contingent upon the  
16 determination required to be made by the State Board  
17 of Equalization pursuant to Section 2355.1A of this  
18 title.

19        2. Married individuals filing jointly and surviving spouse to  
20 the extent and in the manner that a surviving spouse is permitted to  
21 file a joint return under the provisions of the Internal Revenue  
22 Code and heads of households as defined in the Internal Revenue  
23 Code:

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

- 1 (b) 1% tax on next \$3,000.00 or part thereof,  
2 (c) 2% tax on next \$2,500.00 or part thereof,  
3 (d) 3% tax on next \$2,300.00 or part thereof,  
4 (e) 4% tax on next \$2,400.00 or part thereof,  
5 (f) 5% tax on next \$2,800.00 or part thereof,  
6 (g) 5.50% tax on the remainder for the 2008 tax year and  
7 any subsequent tax year unless the rate prescribed by  
8 subparagraph (h) of this paragraph is in effect, and  
9 (h) 5.25% tax on the remainder for the 2009 and subsequent  
10 tax years. The decrease in the top marginal  
11 individual income tax rate otherwise authorized by  
12 this subparagraph shall be contingent upon the  
13 determination required to be made by the State Board  
14 of Equalization pursuant to Section 2355.1A of this  
15 title.

16 ~~C. Individuals. For all taxable years beginning on or after~~  
17 ~~January 1, 2015, a tax is hereby imposed upon the Oklahoma taxable~~  
18 ~~income of every resident or nonresident individual, which tax shall~~  
19 ~~be computed as follows:~~

20 ~~1. Single individuals and married individuals filing~~  
21 ~~separately:~~

- 22 ~~(a) 1/2% tax on first \$1,000.00 or part thereof,~~  
23 ~~(b) 1% tax on next \$1,500.00 or part thereof,~~  
24 ~~(c) 2% tax on next \$1,250.00 or part thereof,~~

- 1           ~~(d) 3% tax on next \$1,150.00 or part thereof,~~  
2           ~~(e) 4% tax on next \$2,300.00 or part thereof,~~  
3           ~~(f) 5% tax on the remainder for the 2015 tax year and any~~  
4           ~~subsequent tax year unless the rate prescribed by~~  
5           ~~subparagraph (g) of this paragraph is in effect, and~~  
6           ~~(g) 4.85% tax on the remainder for tax year 2016 and~~  
7           ~~subsequent tax years. The decrease in the top~~  
8           ~~marginal individual income tax rate otherwise~~  
9           ~~authorized by this subparagraph shall be contingent~~  
10           ~~upon the determination required to be made by the~~  
11           ~~State Board of Equalization pursuant to Section 3 of~~  
12           ~~this act.~~

13           ~~2. Married individuals filing jointly and surviving spouse to~~  
14           ~~the extent and in the manner that a surviving spouse is permitted to~~  
15           ~~file a joint return under the provisions of the Internal Revenue~~  
16           ~~Code and heads of households as defined in the Internal Revenue~~  
17           ~~Code:~~

- 18           ~~(a) 1/2% tax on first \$2,000.00 or part thereof,~~  
19           ~~(b) 1% tax on next \$3,000.00 or part thereof,~~  
20           ~~(c) 2% tax on next \$2,500.00 or part thereof,~~  
21           ~~(d) 3% tax on next \$2,300.00 or part thereof,~~  
22           ~~(e) 4% tax on next \$2,400.00 or part thereof,~~

1           ~~(f) 5% tax on the remainder for the 2015 tax year and any~~  
2           ~~subsequent tax year unless the rate prescribed by~~  
3           ~~subparagraph (g) of this paragraph is in effect, and~~  
4           ~~(g) 4.85% tax on the remainder for tax year 2016 and~~  
5           ~~subsequent tax years. The decrease in the top~~  
6           ~~marginal individual income tax rate otherwise~~  
7           ~~authorized by this subparagraph shall be contingent~~  
8           ~~upon the determination required to be made by the~~  
9           ~~State Board of Equalization pursuant to Section 3 of~~  
10           ~~this act.~~

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

13           ~~D.~~ C. Nonresident aliens. In lieu of the rates set forth in  
14 subsection A above, there shall be imposed on nonresident aliens, as  
15 defined in the Internal Revenue Code, a tax of eight percent (8%)  
16 instead of thirty percent (30%) as used in the Internal Revenue  
17 Code, with respect to the Oklahoma taxable income of such  
18 nonresident aliens as determined under the provision of the Oklahoma  
19 Income Tax Act.

20           Every payer of amounts covered by this subsection shall deduct  
21 and withhold from such amounts paid each payee an amount equal to  
22 eight percent (8%) thereof. Every payer required to deduct and  
23 withhold taxes under this subsection shall for each quarterly period  
24 on or before the last day of the month following the close of each

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

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

20 There shall be no additional Oklahoma income tax imposed on  
21 accumulated taxable income or on undistributed personal holding  
22 company income as those terms are defined in the Internal Revenue  
23 Code.

24

1       ~~F.~~ E. Certain foreign corporations. In lieu of the tax imposed  
2 in the first paragraph of subsection ~~D~~ C of this section, for all  
3 taxable years beginning after December 31, 1989, there shall be  
4 imposed on foreign corporations, as defined in the Internal Revenue  
5 Code, a tax of six percent (6%) instead of thirty percent (30%) as  
6 used in the Internal Revenue Code, where such income is received  
7 from sources within Oklahoma, in accordance with the provisions of  
8 the Internal Revenue Code and the Oklahoma Income Tax Act.

9       Every payer of amounts covered by this subsection shall deduct  
10 and withhold from such amounts paid each payee an amount equal to  
11 six percent (6%) thereof. Every payer required to deduct and  
12 withhold taxes under this subsection shall for each quarterly period  
13 on or before the last day of the month following the close of each  
14 such quarterly period, pay over the amount so withheld as taxes to  
15 the Tax Commission, and shall file a return with each such payment.  
16 Such return shall be in such form as the Tax Commission shall  
17 prescribe. Every payer required under this subsection to deduct and  
18 withhold a tax from a payee shall, as to the total amounts paid to  
19 each payee during the calendar year, furnish to such payee, on or  
20 before January 31, of the succeeding year, a written statement  
21 showing the name of the payer, the name of the payee and the payee's  
22 social security account number, if any, the total amounts paid  
23 subject to taxation, the total amount deducted and withheld as tax  
24 and such other information as the Tax Commission may require. Any

1 payer who fails to withhold or pay to the Tax Commission any sums  
2 herein required to be withheld or paid shall be personally and  
3 individually liable therefor to the State of Oklahoma.

4 ~~G.~~ F. Fiduciaries. A tax is hereby imposed upon the Oklahoma  
5 taxable income of every trust and estate at the same rates as are  
6 provided in subsection B ~~or C~~ of this section for single  
7 individuals. Fiduciaries are not allowed a deduction for any  
8 federal income tax paid.

9 ~~H.~~ G. Tax rate tables. For all taxable years beginning after  
10 December 31, 1991, in lieu of the tax imposed by subsection A~~7~~ or B  
11 ~~or C~~ of this section, as applicable there is hereby imposed for each  
12 taxable year on the taxable income of every individual, whose  
13 taxable income for such taxable year does not exceed the ceiling  
14 amount, a tax determined under tables, applicable to such taxable  
15 year which shall be prescribed by the Tax Commission and which shall  
16 be in such form as it determines appropriate. In the table so  
17 prescribed, the amounts of the tax shall be computed on the basis of  
18 the rates prescribed by ~~subsection~~ subsections A~~7~~ and B ~~or C~~ of this  
19 section. For purposes of this subsection, the term "ceiling amount"  
20 means, with respect to any taxpayer, the amount determined by the  
21 Tax Commission for the tax rate category in which such taxpayer  
22 falls.

23  
24

1 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2355, as  
2 last amended by Section 1 of this act, is amended to read as  
3 follows:

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

9 1. METHOD 1.

10 a. Single individuals and married individuals filing  
11 separately not deducting federal income tax:

12 (1) 1/2% tax on first \$1,000.00 or part thereof,

13 (2) 1% tax on next \$1,500.00 or part thereof,

14 (3) 2% tax on next \$1,250.00 or part thereof,

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

16 (5) 4% tax on next \$1,300.00 or part thereof,

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

18 (7) 6% tax on next \$2,300.00 or part thereof, and

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

20 31, 1998, and before January 1, 2002, 6.75%  
21 tax on the remainder,

22 (b) for taxable years beginning on or after

23 January 1, 2002, and before January 1, 2004,

24 7% tax on the remainder, and

1 (c) for taxable years beginning on or after  
2 January 1, 2004, 6.65% tax on the remainder.

3 b. Married individuals filing jointly and surviving  
4 spouse to the extent and in the manner that a  
5 surviving spouse is permitted to file a joint return  
6 under the provisions of the Internal Revenue Code and  
7 heads of households as defined in the Internal Revenue  
8 Code not deducting federal income tax:

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

10 (2) 1% tax on next \$3,000.00 or part thereof,

11 (3) 2% tax on next \$2,500.00 or part thereof,

12 (4) 3% tax on next \$2,300.00 or part thereof,

13 (5) 4% tax on next \$2,400.00 or part thereof,

14 (6) 5% tax on next \$2,800.00 or part thereof,

15 (7) 6% tax on next \$6,000.00 or part thereof, and

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

17 31, 1998, and before January 1, 2002, 6.75%

18 tax on the remainder,

19 (b) for taxable years beginning on or after

20 January 1, 2002, and before January 1, 2004,

21 7% tax on the remainder, and

22 (c) for taxable years beginning on or after

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

24 2. METHOD 2.

1 a. Single individuals and married individuals filing  
2 separately 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 \$1,200.00 or part thereof,

8 (6) 5% tax on next \$1,400.00 or part thereof,

9 (7) 6% tax on next \$1,500.00 or part thereof,

10 (8) 7% tax on next \$1,500.00 or part thereof,

11 (9) 8% tax on next \$2,000.00 or part thereof,

12 (10) 9% tax on next \$3,500.00 or part thereof, and

13 (11) 10% tax on the remainder.

14 b. Married individuals filing jointly and surviving

15 spouse to the extent and in the manner that a

16 surviving spouse is permitted to file a joint return

17 under the provisions of the Internal Revenue Code and

18 heads of households as defined in the Internal Revenue

19 Code deducting federal income tax:

20 (1) 1/2% tax on the first \$2,000.00 or part thereof,

21 (2) 1% tax on the next \$3,000.00 or part thereof,

22 (3) 2% tax on the next \$2,500.00 or part thereof,

23 (4) 3% tax on the next \$1,400.00 or part thereof,

24 (5) 4% tax on the next \$1,500.00 or part thereof,

- 1 (6) 5% tax on the next \$1,600.00 or part thereof,  
2 (7) 6% tax on the next \$1,250.00 or part thereof,  
3 (8) 7% tax on the next \$1,750.00 or part thereof,  
4 (9) 8% tax on the next \$3,000.00 or part thereof,  
5 (10) 9% tax on the next \$6,000.00 or part thereof, and  
6 (11) 10% tax on the remainder.

7 B. Individuals. For all taxable years beginning on or after  
8 January 1, ~~2008~~ 2016, a tax is hereby imposed upon the Oklahoma  
9 taxable income of every resident or nonresident individual, which  
10 tax shall be computed as follows:

11 1. Single individuals and married individuals filing  
12 separately:

- 13 (a) 1/2% tax on first \$1,000.00 or part thereof,  
14 (b) 1% tax on next \$1,500.00 or part thereof,  
15 (c) 2% tax on next \$1,250.00 or part thereof,  
16 (d) 3% tax on next \$1,150.00 or part thereof,  
17 (e) 4% tax on next \$2,300.00 or part thereof,  
18 (f) 5% tax on next \$1,500.00 or part thereof unless the  
19 rate prescribed by subparagraph (h) of this paragraph  
20 is in effect for which tax years the rate of tax  
21 otherwise prescribed by this paragraph shall not be  
22 imposed,  
23 (g) ~~5.50%~~ 5.25% tax on the remainder for the ~~2008~~ 2016 tax  
24 year and any subsequent tax year unless the rate

1 prescribed by subparagraph (h) of this paragraph is in  
2 effect, and

3 (h) ~~5.25%~~ 5% tax on the remainder for the ~~2009~~ 2016 and  
4 subsequent tax years. The decrease in the top  
5 marginal individual income tax rate otherwise  
6 authorized by this subparagraph shall be contingent  
7 upon the determination required to be made by the  
8 State Board of Equalization pursuant to Section  
9 ~~2355.1A~~ 3 of this ~~title~~ act.

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

- 15 (a) 1/2% tax on first \$2,000.00 or part thereof,  
16 (b) 1% tax on next \$3,000.00 or part thereof,  
17 (c) 2% tax on next \$2,500.00 or part thereof,  
18 (d) 3% tax on next \$2,300.00 or part thereof,  
19 (e) 4% tax on next \$2,400.00 or part thereof,  
20 (f) 5% tax on next \$2,800.00 or part thereof unless the  
21 rate prescribed by subparagraph (h) of this paragraph  
22 is in effect for which tax years the rate of tax  
23 otherwise prescribed by this paragraph shall not be  
24 imposed,

1 (g) ~~5.50%~~ 5.25% tax on the remainder for the ~~2008~~ 2016 tax  
2 year and any subsequent tax year unless the rate  
3 prescribed by subparagraph (h) of this paragraph is in  
4 effect, and

5 (h) ~~5.25%~~ 5% tax on the remainder for the ~~2009~~ 2016 and  
6 subsequent tax years. The decrease in the top  
7 marginal individual income tax rate otherwise  
8 authorized by this subparagraph shall be contingent  
9 upon the determination required to be made by the  
10 State Board of Equalization pursuant to Section  
11 ~~2355.1A~~ 3 of this ~~title~~ act.

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

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

21 Every payer of amounts covered by this subsection shall deduct  
22 and withhold from such amounts paid each payee an amount equal to  
23 eight percent (8%) thereof. Every payer required to deduct and  
24 withhold taxes under this subsection shall for each quarterly period

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

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

21 There shall be no additional Oklahoma income tax imposed on  
22 accumulated taxable income or on undistributed personal holding  
23 company income as those terms are defined in the Internal Revenue  
24 Code.

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

9 Every payer of amounts covered by this subsection shall deduct  
10 and withhold from such amounts paid each payee an amount equal to  
11 six percent (6%) thereof. Every payer required to deduct and  
12 withhold taxes under this subsection shall for each quarterly period  
13 on or before the last day of the month following the close of each  
14 such quarterly period, pay over the amount so withheld as taxes to  
15 the Tax Commission, and shall file a return with each such payment.  
16 Such return shall be in such form as the Tax Commission shall  
17 prescribe. Every payer required under this subsection to deduct and  
18 withhold a tax from a payee shall, as to the total amounts paid to  
19 each payee during the calendar year, furnish to such payee, on or  
20 before January 31, of the succeeding year, a written statement  
21 showing the name of the payer, the name of the payee and the payee's  
22 social security account number, if any, the total amounts paid  
23 subject to taxation, the total amount deducted and withheld as tax  
24 and such other information as the Tax Commission may require. Any

1 payer who fails to withhold or pay to the Tax Commission any sums  
2 herein required to be withheld or paid shall be personally and  
3 individually liable therefor to the State of Oklahoma.

4 F. Fiduciaries. A tax is hereby imposed upon the Oklahoma  
5 taxable income of every trust and estate at the same rates as are  
6 provided in subsection B of this section for single individuals.  
7 Fiduciaries are not allowed a deduction for any federal income tax  
8 paid.

9 G. Tax rate tables. For all taxable years beginning after  
10 December 31, 1991, in lieu of the tax imposed by subsection A or B  
11 of this section, as applicable there is hereby imposed for each  
12 taxable year on the taxable income of every individual, whose  
13 taxable income for such taxable year does not exceed the ceiling  
14 amount, a tax determined under tables, applicable to such taxable  
15 year which shall be prescribed by the Tax Commission and which shall  
16 be in such form as it determines appropriate. In the table so  
17 prescribed, the amounts of the tax shall be computed on the basis of  
18 the rates prescribed by subsections A and B of this section. For  
19 purposes of this subsection, the term "ceiling amount" means, with  
20 respect to any taxpayer, the amount determined by the Tax Commission  
21 for the tax rate category in which such taxpayer falls.

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

1       A. The provisions of this section shall be applicable with  
2 respect to the implementation of the decreases in the top marginal  
3 rate of individual income tax otherwise authorized pursuant to the  
4 provisions of subparagraph (h) of paragraphs 1 and 2 of subsection B  
5 of Section 2355 of Title 68 of the Oklahoma Statutes, which shall be  
6 contingent upon a determination by the State Board of Equalization  
7 made by a comparison of the revenue computations described by this  
8 section which shall be conducted until the income tax rate of five  
9 percent (5%) is effective.

10       B. In addition to any other duties prescribed by law, at the  
11 meeting required by paragraph 1 of Section 23 of Article X of the  
12 Oklahoma Constitution to be held in December 2014, and for any  
13 subsequent December meeting of the State Board of Equalization if  
14 the top marginal income tax rate prescribed by subparagraph (h) of  
15 paragraphs 1 and 2 of subsection B of Section 2355 of Title 68 of  
16 the Oklahoma Statutes has not become effective, the State Board of  
17 Equalization shall determine:

18       1. The amount of estimated revenue growth in the General  
19 Revenue Fund of the State Treasury for the fiscal year beginning on  
20 the next ensuing July 1; and

21       2. The amount by which the income tax revenue for the tax year  
22 which will begin on the second January 1 following such December  
23 meeting is estimated to be reduced by a twenty-five-hundredths-

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1 percent decrease in the top marginal income tax rate, in order for a  
2 top marginal income tax rate of five percent (5%) to be effective.

3 If the amount determined pursuant to the provisions of paragraph  
4 1 of this subsection is equal to or greater than the amount  
5 determined pursuant to the provisions of paragraph 2 of this  
6 subsection, the Board shall make a preliminary finding that the  
7 Board anticipates that a finding will be made at the February  
8 meeting immediately subsequent to the December meeting that the  
9 revenue computations required by this section will authorize the  
10 implementation of the provisions of subparagraph (h) of paragraphs 1  
11 and 2 of subsection B of Section 2355 of Title 68 of the Oklahoma  
12 Statutes beginning on the second January 1 following the December  
13 meeting.

14 If the amount determined pursuant to the provisions of paragraph  
15 1 of this subsection is less than the amount determined pursuant to  
16 the provisions of paragraph 2 of this subsection, the Board shall  
17 make a preliminary finding that the Board anticipates that a finding  
18 will be made at the February meeting immediately subsequent to the  
19 December meeting that the revenue computations required by this  
20 section will not authorize the implementation of the provisions of  
21 subparagraph (h) of paragraphs 1 and 2 of subsection B of Section  
22 2355 of Title 68 of the Oklahoma Statutes beginning on the second  
23 January 1 following the December meeting.

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1 C. In addition to any other duties prescribed by law, at the  
2 meeting required by paragraph 3 of Section 23 of Article X of the  
3 Oklahoma Constitution to be held in February 2015, and for any  
4 subsequent February meeting of the State Board of Equalization if  
5 the top marginal income tax rate prescribed by subparagraph (h) of  
6 paragraphs 1 and 2 of subsection B of Section 2355 of Title 68 of  
7 the Oklahoma Statutes has not become effective, the State Board of  
8 Equalization shall determine:

9 1. The amount of estimated revenue growth in the General  
10 Revenue Fund of the State Treasury for the fiscal year beginning on  
11 the next ensuing July 1; and

12 2. The amount by which the income tax revenue for the tax year  
13 which will begin on the January 1 immediately following the February  
14 meeting is estimated to be reduced by a twenty-five-hundredths-  
15 percent decrease in the top marginal income tax rate, in order for a  
16 top marginal income tax rate of five percent (5%) to be effective.

17 If the amount determined pursuant to the provisions of paragraph  
18 1 of this subsection is equal to or greater than the amount  
19 determined pursuant to the provisions of paragraph 2 of this  
20 subsection, the Board shall make a finding that the revenue  
21 computations required by this section will authorize the  
22 implementation of the provisions of subparagraph (h) of paragraphs 1  
23 and 2 of subsection B of Section 2355 of Title 68 of the Oklahoma  
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1 Statutes beginning on the January 1 immediately following the  
2 February meeting.

3       If the amount determined pursuant to the provisions of paragraph  
4 1 of this subsection is less than the amount determined pursuant to  
5 the provisions of paragraph 2 of this subsection, the Board shall  
6 make a finding that the revenue computations required by this  
7 section do not authorize the implementation of the provisions of  
8 subparagraph (h) of paragraphs 1 and 2 of subsection B of Section  
9 2355 of Title 68 of the Oklahoma Statutes beginning with the January  
10 1 immediately following the February meeting.

11       D. If the Board makes a finding that the revenue computations  
12 required by this section do not authorize the implementation of the  
13 provisions of subparagraph (h) of paragraphs 1 and 2 of subsection B  
14 of Section 2355 of Title 68 of the Oklahoma Statutes beginning with  
15 calendar year 2016 pursuant to the provisions of subsection C of  
16 this section, the procedures prescribed by subsections A, B and C of  
17 this section shall be repeated by the State Board of Equalization  
18 for each successive two-year comparison. Once the income tax rate  
19 otherwise authorized pursuant to subparagraph (h) of paragraphs 1  
20 and 2 of subsection B of Section 2355 of Title 68 of the Oklahoma  
21 Statutes has been implemented, such income tax rate shall be in  
22 effect for the tax years as prescribed by subparagraph (h) of  
23 paragraphs 1 and 2 of subsection B of Section 2355 of Title 68 of  
24 the Oklahoma Statutes.

1 SECTION 4. REPEALER Section 3, Chapter 253, O.S.L. 2013  
2 (68 O.S. Supp. 2013, Section 2355.1E), is hereby repealed.

3 SECTION 5. This act shall become effective January 1, 2016.  
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