

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 54th Legislature (2014)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE JOINT
7 RESOLUTION NO. 1079

By: Dank

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9 COMMITTEE SUBSTITUTE

10 A Joint Resolution directing the Secretary of State
11 to refer to the people for their approval or
12 rejection a proposed amendment to the Constitution of
13 the State of Oklahoma by adding a new Section 33A to
14 Article V; imposing requirements for approval of
15 measures containing tax credits; requiring enrolled
16 measure to contain certain clause based upon certain
17 vote on final passage; defining term; providing for
18 termination of certain tax credits; specifying
19 applicability based upon allocation of tax credits;
20 providing ballot title; and directing filing.

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23 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
24 2ND SESSION OF THE 54TH OKLAHOMA LEGISLATURE:

SECTION 1. The Secretary of State shall refer to the people for
their approval or rejection, as and in the manner provided by law,
the following proposed amendment to the Constitution of the State of
Oklahoma by adding a new Section 33A to Article V thereof, to read
as follows:

1 Section 33A. A. No measure that enacts a tax credit shall
2 become the law unless it shall have received the approval of three-
3 fourths (3/4) of the members of the Oklahoma House of
4 Representatives and the Oklahoma State Senate.

5 B. No measure that enacts a tax credit may be considered on a
6 vote for final passage in either chamber of the Legislature during
7 the last five (5) days of either a regular or extraordinary session.

8 C. As used in this section, including subsection E of this
9 section, "tax credit" means a method to reduce a gross tax liability
10 to a net tax liability after a tax rate has been multiplied by a tax
11 base amount to determine a preliminary or gross tax liability.

12 D. As used in this section, a tax credit shall not mean:

13 1. An exemption or a deduction;

14 2. A method by which a tax exemption or deduction is
15 administered in the form of a rebate or repayment of taxes
16 previously paid with a tax return filed as required by law; or

17 3. A direct payment of an incentive in cash based upon a system
18 in which the payment is made pursuant to a contractual agreement and
19 which does not involve the filing of a specific tax return by the
20 recipient of the incentive payment.

21 E. Any tax credit which may be used by a for-profit business
22 enterprise of any kind, whether a corporation, limited partnership,
23 limited liability company or any other lawfully recognized business
24 entity, and which is effective as law pursuant to any statute of the

1 State of Oklahoma on the date as of which this measure is approved
2 shall cease to have the force and effect of law on July 1, 2016.
3 The provisions of this subsection shall not be applicable to a tax
4 credit that may only be used by a natural person. The provisions of
5 this subsection shall be applicable to any tax credit that can be
6 used by a natural person pursuant to an allocation of the tax credit
7 based upon the status of the natural person as an equity owner,
8 partner, shareholder, limited liability company member or otherwise
9 having a legal status that allows a natural person to use a tax
10 credit that would otherwise have been used by a for-profit business
11 entity which for purposes of this subsection shall include a general
12 partnership.

13 SECTION 2. The Ballot Title for the proposed Constitutional
14 amendment as set forth in SECTION 1 of this resolution shall be in
15 the following form:

16 BALLOT TITLE
17 Legislative Referendum No. _____ State Question No. _____

18 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

19 This measure amends the Oklahoma Constitution. It adds a new
20 Section 33A to Article 5. It requires a law enacting a tax
21 credit to be approved by a three-fourths (3/4) vote in both the
22 Oklahoma House of Representatives and the Oklahoma State Senate.
23 This measure would prevent a tax credit law from being
24 considered during the last five (5) days of any legislative

1 session. It defines a tax credit. A tax credit would not
2 include an exemption or deduction or any method that rebated
3 taxes previously paid with a tax return. A tax credit would not
4 include any form of direct payment of an incentive pursuant to a
5 contract between a business and the State of Oklahoma. Tax
6 credits used by business entities would stop having the effect
7 of law on July 1, 2016. Tax credits that people can use would
8 continue to be the law.

9 SHALL THE PROPOSAL BE APPROVED?

10 FOR THE PROPOSAL - YES _____

11 AGAINST THE PROPOSAL - NO _____

12 SECTION 3. The Chief Clerk of the House of Representatives,
13 immediately after the passage of this resolution, shall prepare and
14 file one copy thereof, including the Ballot Title set forth in
15 SECTION 2 hereof, with the Secretary of State and one copy with the
16 Attorney General.

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18 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
19 02/26/2014 - DO PASS, As Amended.
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