

1 STATE OF OKLAHOMA

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

3 HOUSE JOINT  
4 RESOLUTION 1079

By: Dank

5  
6 AS INTRODUCED

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8 A Joint Resolution directing the Secretary of State  
9 to refer to the people for their approval or  
10 rejection a proposed amendment to the Constitution of  
11 the State of Oklahoma by adding a new Section 33A to  
12 Article V; imposing requirements for approval of  
13 measures containing tax credits; prescribing  
14 procedures based upon approval of measure with less  
15 than required vote; requiring enrolled measure to  
16 contain certain clause based upon certain vote on  
17 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:

Section 33A. A. No measure that enacts a tax credit shall  
become the law unless it shall either have received the approval of

1 three-fourths (3/4) of the members of the Oklahoma House of  
2 Representatives and the Oklahoma State Senate or, if such measure  
3 receives at least a simple majority approval of the members of both  
4 chambers of the Legislature, but fails to receive approval by three-  
5 fourths (3/4) of such members, unless the measure is approved by a  
6 majority vote of the people.

7 B. If a measure receives at least a simple majority vote of the  
8 members of the Oklahoma House of Representatives and the members of  
9 the Oklahoma State Senate, but fails to receive three-fourths (3/4)  
10 approval in each chamber, the presiding officers of both chambers of  
11 the Legislature shall cause the measure to have included in its  
12 enrolled and final version a clause to have the measure filed with  
13 the Secretary of State at the next ensuing general election for  
14 purposes of having the measure on a statewide ballot in the manner  
15 prescribed by law for state questions.

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

19 D. As used in this section, including subsection F of this  
20 section, "tax credit" means a method to reduce a gross tax liability  
21 to a net tax liability after a tax rate has been multiplied by a tax  
22 base amount to determine a preliminary or gross tax liability.

23 E. As used in this section, a tax credit shall not mean:

24 1. An exemption or a deduction;

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

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

8           F. Any tax credit which may be used by a for-profit business  
9 enterprise of any kind, whether a corporation, limited partnership,  
10 limited liability company or any other lawfully recognized business  
11 entity, and which is effective as law pursuant to any statute of the  
12 State of Oklahoma on the date as of which this measure is approved  
13 shall cease to have the force and effect of law on July 1, 2016.  
14 The provisions of this subsection shall not be applicable to a tax  
15 credit that may only be used by a natural person. The provisions of  
16 this subsection shall be applicable to any tax credit that can be  
17 used by a natural person pursuant to an allocation of the tax credit  
18 based upon the status of the natural person as an equity owner,  
19 partner, shareholder, limited liability company member or otherwise  
20 having a legal status that allows a natural person to use a tax  
21 credit that would otherwise have been used by a for-profit business  
22 entity which for purposes of this subsection shall include a general  
23 partnership.

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

4 BALLOT TITLE

5 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

6 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

7 This measure amends the Oklahoma Constitution. It adds a new  
8 Section 33A to Article 5. It requires a law enacting a tax  
9 credit to be approved by a three-fourths (3/4) vote in both the  
10 Oklahoma House of Representatives and the Oklahoma State Senate.  
11 If a law enacting a tax credit received at least a simple  
12 majority vote in both the House and Senate, but less than three-  
13 fourths (3/4) approval, it would be referred to a vote of the  
14 people. If a majority of the voters approved the tax credit  
15 measure, it would become the law. This measure would prevent a  
16 tax credit law from being considered during the last five (5)  
17 days of any legislative session. It defines a tax credit. A  
18 tax credit would not include an exemption or deduction or any  
19 method that rebated taxes previously paid with a tax return. A  
20 tax credit would not include any form of direct payment of an  
21 incentive pursuant to a contract between a business and the  
22 State of Oklahoma. Tax credits used by business entities would  
23 stop having the effect of law on July 1, 2016. Tax credits that  
24 people can use would continue to be the law.

1 SHALL THE PROPOSAL BE APPROVED?

2 FOR THE PROPOSAL - YES \_\_\_\_\_

3 AGAINST THE PROPOSAL - NO \_\_\_\_\_

4 SECTION 3. The Chief Clerk of the House of Representatives,  
5 immediately after the passage of this resolution, shall prepare and  
6 file one copy thereof, including the Ballot Title set forth in  
7 SECTION 2 hereof, with the Secretary of State and one copy with the  
8 Attorney General.

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