

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2552 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Mike Brown

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2552

By: Brown

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8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; authorizing
10 Oklahoma Tax Commission to make adjustments to income
11 tax returns of certain corporations or business
12 entities taxed as corporations; providing for
13 conditions pursuant to which adjustments allowed;
14 providing for codification; and providing an
15 effective date.

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

17 SECTION 1. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 2366.1 of Title 68, unless there
19 is created a duplication in numbering, reads as follows:

20 The Oklahoma Tax Commission shall be authorized to add back to
21 the taxable income of any corporation or other entity taxed as a
22 corporation the amount of an expense deduction claimed on the
23 applicable federal income tax return of the corporate or other
24 entity if the Tax Commission determines that the expense deduction
was based upon a lease or license agreement between the corporation

1 and one or more of its subsidiary entities and either that the
2 expense was unreasonable compared to similar transactions between
3 business entities entering into contract and such business entities
4 do not have any equity relationship with respect to each other,
5 whether as parent and subsidiary or among subsidiaries having a
6 common parent business entity or in circumstances under which it may
7 be reasonably determined that the primary purpose of the expense
8 deduction was the avoidance of either federal or state income
9 taxation.

10 SECTION 2. This act shall become effective January 1, 2017.

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12 55-2-9161 MAH 02/17/16

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