

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1393

By: Allen

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5
6 AS INTRODUCED

7 An Act relating to income tax; amending 68 O.S. 2011,
8 Section 2368, which relates to income tax returns;
9 modifying the type of information required on certain
10 returns; providing for certain calculation; limiting
11 amount certain credits allowed under specified
12 circumstances; and providing an effective date.

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

14 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2368, is
15 amended to read as follows:

16 Section 2368. A. The following individuals shall each make a
17 return stating specifically the taxable income and, where necessary,
18 the adjusted gross income and the adjustments provided in Section
19 2351 et seq. of this title to arrive at Oklahoma taxable income and,
20 where necessary, Oklahoma adjusted gross income:

21 1. Every resident individual having a gross income, or gross
22 receipts, for the taxable year in an amount sufficient to require
23 the filing of a federal income tax return, if single, or if married
24 and not living with husband or wife; and

1 2. Every resident individual having a gross income, or gross
2 receipts, for the taxable year in an amount sufficient to require
3 the filing of a federal income tax return, if married and living
4 with husband or wife.

5 Provided however, every resident individual who does not meet
6 the requirements sufficient to file a federal return, but has
7 Oklahoma withholding, may file a claim for refund for all Oklahoma
8 income taxes withheld and shall not be subject to the provisions of
9 Section 2358 of this title; and

10 3. Every nonresident individual having Oklahoma gross income
11 for the taxable year of One Thousand Dollars (\$1,000.00) or more.

12 B. If a husband and wife, living together, have an aggregate
13 gross income or gross receipts, for such year, in an amount
14 sufficient to require the filing of a federal income tax return:

15 1. Each shall make a return; or

16 2. The income of each shall be included in a single joint
17 return, in which case the tax shall be computed on the aggregate net
18 income.

19 C. If an individual is unable to make his or her own return,
20 the return shall be made by a duly authorized agent or by the
21 guardian or other person charged with the care of the person or
22 property of such individual.

23 D. Every partnership shall make a return for each taxable year,
24 stating the taxable income and the adjustments to arrive at Oklahoma

1 income. The Oklahoma return shall include a schedule showing the
2 distribution to partners of the various items of income as per the
3 federal return and the adjustments required by Section 2351 et seq.
4 of this title for Oklahoma. The return shall be signed by one of
5 the partners. If a partnership has elected pursuant to the
6 provisions of Section 761 of the Internal Revenue Code, or any
7 provision comparable thereto, not to file partnership income tax
8 returns, that partnership shall not be required to file an Oklahoma
9 partnership return. The Oklahoma Tax Commission shall promulgate
10 rules for purposes of partnership returns when multiple partners
11 would otherwise be required to file a nonresident return. The rules
12 shall provide a specific number of partners in a partnership above
13 which a composite return may be filed. The return shall be in such
14 form as prescribed by the Tax Commission.

15 E. Every corporation shall make a return for each taxable year
16 stating the taxable income and the adjustments provided in Section
17 2351 et seq. of this title to arrive at Oklahoma taxable income. In
18 addition, corporations electing subchapter S treatment pursuant to
19 the Internal Revenue Code and Section 2351 et seq. of this title,
20 shall include a schedule showing the distribution to shareholders of
21 the various items of income as per the federal return and the
22 adjustments for Oklahoma. All corporation returns shall be signed
23 by the president, vice president, or other principal officer and the
24 corporate seal impressed. In cases where receivers, trustees in

1 bankruptcy, or assignees are operating the property or business of
2 corporations, such receivers, trustees, or assignees shall make a
3 return for such corporations in the same manner and form as
4 corporations are required to make returns. Any tax due on the basis
5 of such returns made by receivers, trustees, or assignees shall be
6 collected in the same manner as if collected from the corporations
7 of whose business or property they have custody and control.

8 F. Every resident estate and trust shall make a return for each
9 taxable year stating the taxable income and the adjustments to
10 arrive at Oklahoma taxable income. Every nonresident estate or
11 trust having Oklahoma taxable income as provided in Section 2362 of
12 this title, shall make a return for each taxable year stating the
13 taxable income and the adjustments to arrive at Oklahoma taxable
14 income. The Oklahoma return shall include a schedule showing the
15 distribution to beneficiaries, if any, of the various items of
16 income as per the federal return and the adjustments for Oklahoma.
17 The fiduciary shall be responsible for making the return and the
18 return shall be signed by the fiduciary, or by one fiduciary if
19 there is more than one. The Tax Commission shall promulgate rules
20 for purposes of estate and trust returns when multiple returns would
21 otherwise be required of nonresident beneficiaries of estates or
22 trusts. The return shall be in such form as prescribed by the Tax
23 Commission.

1 G. 1. All returns, except corporate returns and individual
2 returns filed electronically, made on the basis of the calendar year
3 shall be made on or before the fifteenth day of April following the
4 close of the taxable year. Provided, if the Internal Revenue Code
5 provides for a later due date for returns of individuals , the Tax
6 Commission shall accept returns filed by individuals by such date
7 and such returns shall be considered as timely filed.

8 2. All individual returns filed electronically, made on the
9 basis of the calendar year, shall be due on or before the twentieth
10 day of April following the close of the taxable year.

11 3. Calendar year corporation returns shall be due on or before
12 the fifteenth day of March following the close of the taxable year.

13 4. All returns, except corporation returns, made on the basis
14 of a fiscal year shall be made on or before the fifteenth day of the
15 fourth month following the close of the fiscal year.

16 5. Fiscal year corporation returns shall be made on or before
17 the fifteenth day of the third month following the close of the
18 fiscal year.

19 6. In the case of complete liquidation, or the dissolution, of
20 a corporation the return of such corporation shall be made on or
21 before the fifteenth day of the fourth month following the month in
22 which the corporation is completely liquidated. A corporation which
23 has terminated its business activities, satisfied or made provision
24 for all of its liabilities or has distributed all of its assets,

1 even though not formally dissolved under state law, is deemed to
2 have completely liquidated for purposes of this subsection.

3 H. Returns by individuals, fiduciaries, partnerships,
4 corporations or any other person or entity required, or that may
5 hereafter be required to file a return, shall contain or be verified
6 by a written declaration that such return is made under the
7 penalties of perjury and the fact that any individual's name is
8 signed to a filed return shall be prima facie evidence for all
9 purposes that the return was actually signed by that individual.
10 Provided, the Tax Commission shall promulgate rules to provide
11 procedures for verification of signatures on returns which are filed
12 electronically.

13 I. Every return required by Section 2351 et seq. of this title
14 shall be in such form as the Tax Commission may, from time to time,
15 prescribe. Each return shall be filed with the Tax Commission and
16 forms shall be furnished by the Tax Commission on application
17 therefor, but failure to secure or receive the form of a return
18 prescribed shall not relieve any taxpayer from the obligation of
19 making and filing any return herein required.

20 J. Every return for which a taxpayer has claimed a state tax
21 credit authorized pursuant to the provisions of this title, shall
22 include, if applicable, a declaration of the total amount of
23 annualized payroll made by the taxpayer in the year for which the
24 return is being filed. The Tax Commission shall verify payroll

1 information through the Oklahoma Employment Security Commission.
2 Notwithstanding other provisions of law, if the total amount of any
3 tax credits claimed by the taxpayer on the return exceeds an amount
4 equal to ten percent (10%) of the payroll reported, the total amount
5 of credits allowed by the Tax Commission shall be capped at that
6 amount. For the purposes of this subsection, officer salaries shall
7 not be included in annualized payroll.

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

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