

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SENATE BILL 157

By: Loveless

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5
6 AS INTRODUCED

7 An Act relating to franchise tax; amending 68 O.S.
8 2011, Sections 1203, 1204 and 1205, which relate to
9 the levy of franchise tax; modifying the amount of
tax levy based on specified schedule; providing for
reduction of maximum and minimum amount of tax due;
and providing for an effective date.

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

13 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1203, is
14 amended to read as follows:

15 Section 1203. A. There is hereby levied and assessed a
16 franchise or excise tax upon every corporation, association, joint-
17 stock company and business trust organized under the laws of this
18 state, ~~equal to One Dollar and twenty-five cents (\$1.25)~~ an amount
19 as specified in subsection B of this section for each One Thousand
20 Dollars (\$1,000.00) or fraction thereof of the amount of capital
21 used, invested or employed in the exercise of any power, privilege
22 or right inuring to such organization, within this state; it being
23 the purpose of this section to require the payment to the State of
24 Oklahoma this tax for the right granted by the laws of this state to

1 exist as such organization and enjoy, under the protection of the
2 laws of this state, the powers, rights, privileges and immunities
3 derived from the state by reason of the form of such existence.

4 B. The amount of tax for each One Thousand Dollars (\$1,000.00)
5 or fraction thereof shall be equal to:

6 1. One Dollar and twenty-five cents (\$1.25) for the taxable
7 period ending during 2015;

8 2. One Dollar and thirteen cents (\$1.13) for the taxable period
9 ending during 2016;

10 3. One Dollar (\$1.00) for the taxable period ending during
11 2017;

12 4. Eighty-eight cents (\$.88) for the taxable period ending
13 during 2018;

14 5. Seventy-five cents (\$.75) for the taxable period ending
15 during 2019;

16 6. Sixty-three cents (\$.63) for the taxable period ending
17 during 2020;

18 7. Fifty cents (\$.50) for the taxable period ending during
19 2021;

20 8. Thirty-eight cents (\$.38) for the taxable period ending
21 during 2022;

22 9. Twenty-five cents (\$.25) for the taxable period ending
23 during 2023;
24

1 10. Thirteen cents (\$.13) for the taxable period ending during
2 2024; and

3 11. No tax shall be levied pursuant to this section for any
4 taxable period beginning on or after January 1, 2025.

5 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1204, is
6 amended to read as follows:

7 Section 1204. A. There is hereby levied and assessed upon
8 every corporation, association, joint-stock company and business
9 trust, organized and existing by virtue of the laws of some other
10 state, territory or country, now or hereafter doing business in this
11 state, as hereinbefore defined, a franchise or excise tax equal to
12 ~~One Dollar and twenty-five cents (\$1.25)~~ an amount as specified in
13 subsection B of this section for each One Thousand Dollars
14 (\$1,000.00) or fraction thereof of the amount of capital used,
15 invested or employed within this state; it being the purpose of this
16 section to require the payment of a tax by all organizations not
17 organized under the laws of this state, measured by the amount of
18 capital, or its equivalent, used, invested or employed in this state
19 for which such organization receives the benefit and protection of
20 the government and laws of the state.

21 B. The amount of tax for each One Thousand Dollars (\$1,000.00)
22 or fraction thereof shall be equal to:

23 1. One Dollar and twenty-five cents (\$1.25) for the taxable
24 period ending during 2015;

1 2. One Dollar and thirteen cents (\$1.13) for the taxable period
2 ending during 2016;

3 3. One Dollar (\$1.00) for the taxable period ending during
4 2017;

5 4. Eighty-eight cents (\$.88) for the taxable period ending
6 during 2018;

7 5. Seventy-five cents (\$.75) for the taxable period ending
8 during 2019;

9 6. Sixty-three cents (\$.63) for the taxable period ending
10 during 2020;

11 7. Fifty cents (\$.50) for the taxable period ending during
12 2021;

13 8. Thirty-eight cents (\$.38) for the taxable period ending
14 during 2022;

15 9. Twenty-five cents (\$.25) for the taxable period ending
16 during 2023;

17 10. Thirteen cents (\$.13) for the taxable period ending during
18 2024; and

19 11. No tax shall be levied pursuant to this section for any
20 taxable period beginning on or after January 1, 2025.

21 SECTION 3. AMENDATORY 68 O.S. 2011, Section 1205, is
22 amended to read as follows:

23 Section 1205. A. In determining the amount of tax to be
24 levied, assessed and collected under the terms of this Article, the

1 maximum amount shall not exceed Twenty Thousand Dollars (\$20,000.00)
2 for the taxable period ending during 2015; thereafter, the maximum
3 amount shall be reduced by Two Thousand Dollars (\$2,000.00) each
4 year until the taxable period ending during 2025.

5 B. If, as a result of the computation of tax required by
6 Section 1209 of this title, the resulting liability is Two Hundred
7 Fifty Dollars (\$250.00) or less for the taxable period ending during
8 2015, the corporation or other entity shall be exempt from the tax
9 levied by Section 1203 or Section 1204 of this title for such
10 reporting period. For taxable periods ending during 2016 and
11 thereafter, the amount of resulting liability below which the entity
12 shall be exempt shall be reduced by Twenty-five Dollars (\$25.00)
13 each year until the taxable period ending during 2025.

14 SECTION 4. This act shall become effective November 1, 2015.
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