

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SENATE BILL 738

By: Bass

AS INTRODUCED

An Act relating to income tax; amending 68 O.S. 2011, Section 2352, as last amended by Section 1, Chapter 253, O.S.L. 2013 (68 O.S. Supp. 2014, Section 2352), which relates to apportionment of revenue; modifying apportionment under specified circumstances; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2352, as last amended by Section 1, Chapter 253, O.S.L. 2013 (68 O.S. Supp. 2014, Section 2352), is amended to read as follows:

Section 2352. A. It is hereby declared to be the purpose of ~~Section 2351 et seq. of this title~~ the Oklahoma Income Tax Act to provide revenue for general governmental functions of state government; and, for that purpose and to that end, it is expressly declared that the revenue derived herefrom and penalties and interest thereon, subject to the apportionment requirements for the Rebuilding Oklahoma Access and Driver Safety Fund, the Oklahoma Tourism and Passenger Rail Revolving Fund and the Public Transit

1 Revolving Fund to be derived from income tax revenue that would  
2 otherwise be apportioned to the General Revenue Fund as provided by  
3 Section 1521 of Title 69 of the Oklahoma Statutes, subject to the  
4 apportionment requirements for the Oklahoma Tax Commission and  
5 Office of Management and Enterprise Services Joint Computer  
6 Enhancement Fund provided by Section 265 of this title, ~~and subject~~  
7 ~~to the apportionment requirements for the Oklahoma State Capitol~~  
8 ~~Building Repair and Restoration Fund provided by Section 4 of this~~  
9 ~~act~~, shall be distributed as follows:

10 1. For the fiscal year beginning July 1, 2002, the first Five  
11 Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue  
12 derived pursuant to the provisions of subsections A, B and E of  
13 Section 2355 of this title shall be apportioned to the Education  
14 Reform Revolving Fund. The remainder of such revenue for the fiscal  
15 year beginning July 1, 2002, and all such revenue for each fiscal  
16 year thereafter shall be apportioned monthly as follows:

17 a. (1) the following amounts shall be paid to the State  
18 Treasurer to be placed to the credit of the  
19 General Revenue Fund of the state for such fiscal  
20 year for the support of the state government to  
21 be paid out only pursuant to appropriation by the  
22 Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	87.12%

1 FY 2005 86.91%

2 FY 2006 86.66%

3 FY 2007 86.16%

4 ~~FY 2008 and each fiscal~~

5 ~~year thereafter through~~

6 FY 2015 85.66%

7 For FY 2016 and each fiscal

8 year thereafter, a

9 percentage to be

10 determined subject to the

11 provisions of subsection

12 B of this section,

13 (2) in the event that additional monies are necessary

14 pursuant to paragraph 3 of this ~~section~~

15 subsection, such additional monies shall be

16 deducted in the proportion determined by the

17 State Board of Equalization pursuant to paragraph

18 3 of Section 2355.1B of this title from the

19 monies apportioned to the General Revenue Fund,

20 b. for FY 2003 and each fiscal year thereafter, eight and

21 thirty-four one-hundredths percent (8.34%) shall be

22 paid to the State Treasurer to be placed to the credit

23 of the Education Reform Revolving Fund,

24

1 c. the following amounts shall be paid to the State  
2 Treasurer to be placed to the credit of the Teachers'  
3 Retirement System Dedicated Revenue Revolving Fund:

4 Fiscal Year	Amount
5 FY 2003 and FY 2004	3.54%
6 FY 2005	3.75%
7 FY 2006	4.0%
8 FY 2007	4.5%
9 FY 2008 and each fiscal 10 year thereafter	5.0%

11 d. for FY 2003 ~~and each fiscal year thereafter~~ through FY  
12 2015, one percent (1%), and for FY 2016 and each  
13 fiscal year thereafter, a percentage to be determined  
14 subject to the provisions of subsection B of this  
15 section, shall be placed to the credit of the Ad  
16 Valorem Reimbursement Fund;

17 2. Beginning July 1, 2003, for any period of time as certified  
18 by the Oklahoma Development Finance Authority and the Oklahoma  
19 Department of Commerce to be necessary for the repayment of  
20 obligations issued by the Oklahoma Development Finance Authority  
21 pursuant to Section 3654 of this title if the other sources of  
22 revenue paid to or apportioned to the Quality Jobs Program Incentive  
23 Leverage Fund are not adequate, including the proceeds from payment  
24 pursuant to the guaranty required by subsection M of Section 3654 of

1 this title, an amount certified by the Oklahoma Development Finance  
2 Authority to the Oklahoma Tax Commission shall be apportioned to the  
3 Quality Jobs Program Incentive Leverage Fund before any other  
4 apportionments are made as otherwise authorized by this paragraph.  
5 The Oklahoma Development Finance Authority shall certify to the  
6 Oklahoma Tax Commission the time as of which the revenue authorized  
7 for apportionment pursuant to this paragraph is no longer required.  
8 After the certification, the revenue derived from the income tax  
9 shall be apportioned in the manner otherwise provided by this  
10 section. Except as otherwise provided by this paragraph, for the  
11 fiscal year beginning July 1, 2002, the first Forty-One Million One  
12 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of  
13 revenue derived pursuant to the provisions of subsections D and E of  
14 Section 2355 of this title shall be apportioned to the Education  
15 Reform Revolving Fund. The remainder of such revenue for the fiscal  
16 year beginning July 1, 2002, and all such revenue for each fiscal  
17 year thereafter, subject to the apportionment requirements for the  
18 Oklahoma Tax Commission and Office of Management and Enterprise  
19 Services Joint Computer Enhancement Fund provided by Section 265 of  
20 this title, shall be apportioned monthly as follows:

- 21 a. the following amounts shall be paid to the State  
22 Treasurer to be placed to the credit of the General  
23 Revenue Fund of the state for such fiscal year for the  
24

1 support of the state government to be paid out only  
2 pursuant to appropriation by the Legislature:

3 Fiscal Year	Amount
4 FY 2003 and FY 2004	78.96%
5 FY 2005	78.75%
6 FY 2006	78.50%
7 FY 2007	78.0%
8 <del>FY 2008 and each fiscal</del>	
9 <del>year thereafter</del>	
10 <u>through FY 2015</u>	77.50%

11 For FY 2016 and each fiscal  
12 year thereafter, a  
13 percentage to be  
14 determined subject to the  
15 provisions of subsection C  
16 of this section,

- 17 b. for FY 2003 and each fiscal year thereafter, sixteen  
18 and five-tenths percent (16.5%) shall be paid to the  
19 State Treasurer to be placed to the credit of the  
20 Education Reform Revolving Fund of the State  
21 Department of Education,
- 22 c. the following amounts shall be paid to the State  
23 Treasurer to be placed to the credit of the Teachers'  
24 Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

d. ~~for FY 2003 and each fiscal year thereafter~~ through FY 2015, one percent (1%), and for FY 2016 and each fiscal year thereafter a percentage to be determined subject to the provisions of subsection C of this section shall be placed to the credit of the Ad Valorem Reimbursement Fund; and

3. During the first fiscal year after the State Board of Equalization has made a determination as provided in Section 2355.1B of this title, regarding a baseline amount of revenue apportioned pursuant to subparagraph c of paragraph 1 of this ~~section~~ subsection, and for each fiscal year thereafter, in no event shall monies apportioned pursuant to subparagraph c of paragraph 1 of this ~~section~~ subsection, paragraph 3 of Section 1353 of this title and paragraph 3 of Section 1403 of this title be less than such baseline amount.

B. Beginning on July 1, 2015, and each July 1 thereafter, following a fiscal year for which total deposits to the Ad Valorem

1 Reimbursement Fund equal less than Thirty-five Million Dollars  
2 (\$35,000,000.00), the monthly apportionment of revenue provided for  
3 in division (1) of subparagraph a of paragraph 1 of subsection A of  
4 this section shall be reduced from eighty-five and sixty-six one-  
5 hundredths percent (85.66%) to eighty-four and sixty-six one-  
6 hundredths percent (84.66%) and the monthly apportionment of revenue  
7 provided for in subparagraph d of paragraph 1 of subsection A of  
8 this section shall be increased from one percent (1%) to two percent  
9 (2%) for the current fiscal year.

10 C. Beginning on July 1, 2015, and each July 1 thereafter,  
11 following a fiscal year for which one percent (1%) of revenue  
12 apportioned pursuant to this section for a fiscal year equals less  
13 than Thirty-five Million Dollars (\$35,000,000.00), the monthly  
14 apportionment of revenue provided for in subparagraph a of paragraph  
15 2 of subsection A of this section shall be reduced from seventy-  
16 seven and fifty one-hundredths percent (77.50%) to seventy-six and  
17 fifty one-hundredths percent (76.50%) and the monthly apportionment  
18 of revenue provided for in subparagraph d of paragraph 2 of  
19 subsection A of this section shall be increased from one percent  
20 (1%) to two percent (2%) for the current fiscal year.

21 SECTION 2. This act shall become effective July 1, 2015.

22 SECTION 3. It being immediately necessary for the preservation  
23 of the public peace, health and safety, an emergency is hereby  
24

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

3  
4 55-1-614 JCR 2/18/2016 7:11:38 PM  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24