

OKLAHOMA HOUSE OF REPRESENTATIVES  
COMMITTEE REPORT

5/19/2015 2:11:22 PM

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

**HB2243**

By: Sears et al of the House  
Jolley et al of the Senate

Title: Revenue and taxation; sales and use tax; apportionment; effective date; emergency.

Coauthored By:

Recommendation: **DO PASS**

Amendments:



\_\_\_\_\_  
Chr.  
Representative Earl Sears

YEAS: 14

Billy, Casey, Coody (A), Cox, Martin, McCullough, McDaniel (R), Nelson, Ortega, Osborn, Ownbey, Peterson, Russ, Sears

NAYS: 2

McPeak, Rousselot

CONSTITUTIONAL PRIVILEGE: 0

OKLAHOMA STATE SENATE  
JOINT  
COMMITTEE REPORT

May 19, 2015

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

HB 2243

By: Sears of the House and Jolley and Treat of the Senate

Title: Revenue and taxation; sales and use tax; apportionment; effective date; emergency.

Recommendation: **DO PASS**

Aye: Allen, Barrington, Bice, Boggs, Brecheen, Brinkley, Brooks, Dahm, David, Fields, Ford, Fry, Griffin, Halligan, Jech, Justice, Loveless, Quinn, Sharp, Shaw, Silk, Simpson, Smalley, Standridge, Stanislawski, Sykes, Thompson, Yen, Treat, Jolley

Nay: Floyd, Garrison, Matthews, Paddack, Pittman, Sparks, Wyrick

Pass:

Senator Clark Jolley, Chair

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2243

By: Sears and Casey of the  
House

4 and

5 Jolley and Treat of the  
6 Senate

7  
8  
9 AS INTRODUCED

10 An Act relating to tax revenue apportionment;  
11 amending 68 O.S. 2011, Sections 1353, as amended by  
12 Section 540, Chapter 304, O.S.L. 2012, and 1403, as  
13 amended by Section 542, Chapter 304, O.S.L. 2012 (68  
14 O.S. Supp. 2014, Sections 1353 and 1403), which  
15 relate to apportionment of sales and use tax;  
16 modifying apportionment of sales and use tax revenue  
17 to certain funds based on specified limits; providing  
18 for distribution of amounts in excess of limits;  
19 providing an effective date; and declaring an  
20 emergency.

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

22 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1353, as  
23 amended by Section 540, Chapter 304, O.S.L. 2012 (68 O.S. Supp.  
24 2014, Section 1353), is amended to read as follows:

Section 1353. A. It is hereby declared to be the purpose of  
the Oklahoma Sales Tax Code to provide funds for the financing of  
the program provided for by the Oklahoma Social Security Act and to

1 provide revenues for the support of the functions of the state  
2 government of Oklahoma, and for this purpose it is hereby expressly  
3 provided that, revenues derived pursuant to the provisions of the  
4 Oklahoma Sales Tax Code, subject to the apportionment requirements  
5 for the Oklahoma Tax Commission and Office of Management and  
6 Enterprise Services Joint Computer Enhancement Fund provided by  
7 Section 265 of this title, shall be apportioned as follows:

8 1. a. the following amounts shall be paid to the State  
9 Treasurer to be placed to the credit of the General  
10 Revenue Fund to be paid out pursuant to direct  
11 appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%
FY 2007	85.04%
FY 2008 and each fiscal year thereafter	83.61%

19 b. in the event that additional monies are necessary  
20 pursuant to paragraph 6 of this subsection, such  
21 additional monies shall be deducted in the proportion  
22 determined by the State Board of Equalization pursuant  
23 to paragraph 3 of Section 2355.1B of this title from  
24 the monies apportioned to the General Revenue Fund;

1        2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-  
2 hundredths percent (10.42%), shall be paid to the State Treasurer to  
3 be placed to the credit of the Education Reform Revolving Fund of  
4 the State Department of Education and for FY 2006 and each fiscal  
5 year thereafter, ten and forty-six one-hundredths percent (10.46%)  
6 shall be paid to the State Treasurer to be placed to the credit of  
7 the Education Reform Revolving Fund of the State Department of  
8 Education;

9        3. The following amounts shall be paid to the State Treasurer  
10 to be placed to the credit of the Teachers' Retirement System  
11 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%

19        4. ~~For~~  
20            a. except as otherwise provided in subparagraph b of this  
21            paragraph, for the fiscal year beginning July 1, 2010  
22            2015, and for each fiscal year thereafter, eighty-  
23            seven one-hundredths percent (0.87%) shall be paid to  
24

1 the State Treasurer to be further apportioned as  
2 follows:

3 a.

4 (1) thirty-six percent (36%) shall be placed to the  
5 credit of the Oklahoma Tourism Promotion  
6 Revolving Fund, but in no event shall such  
7 apportionment exceed Five Million Dollars  
8 (\$5,000,000.00) in any fiscal year, and

9 b.

10 (2) sixty-four percent (64%) shall be placed to the  
11 credit of the Oklahoma Tourism Capital  
12 Improvement Revolving Fund, but in no event  
13 shall such apportionment exceed Nine Million  
14 Dollars (\$9,000,000.00) in any fiscal year, and

15 b. any amounts which exceed the limitations of  
16 subparagraph a of this paragraph shall be placed to  
17 the credit of the General Revenue Fund;

18 5. For the fiscal year beginning July 1, ~~2010~~ 2015, and for  
19 each fiscal year thereafter, six one-hundredths percent (0.06%)  
20 shall be placed to the credit of the Oklahoma Historical Society  
21 Capital Improvement and Operations Revolving Fund, but in no event  
22 shall such apportionment exceed the total amount apportioned  
23 pursuant to this paragraph for the fiscal year ending on June 30,  
24

1 2015. Any amounts which exceed the limitations of this paragraph  
2 shall be placed to the credit of the General Revenue Fund; and

3 6. During the first fiscal year after the State Board of  
4 Equalization has made a determination as provided in Section 2355.1B  
5 of this title, regarding a baseline amount of revenue apportioned  
6 pursuant to paragraph 3 of this subsection, and for each fiscal year  
7 thereafter, in no event shall monies apportioned pursuant to  
8 paragraph 3 of this subsection, paragraph 3 of Section 1403 of this  
9 title and subparagraph c of paragraph 1 of Section 2352 of this  
10 title be less than such baseline amount.

11 B. Provided, for the fiscal year beginning July 1, 2007, and  
12 every fiscal year thereafter, an amount of revenue shall be  
13 apportioned to each municipality or county which levies a sales tax  
14 subject to the provisions of Section 1357.10 of this title and  
15 subsection F of Section 2701 of this title equal to the amount of  
16 sales tax revenue of such municipality or county exempted by the  
17 provisions of Section 1357.10 of this title and subsection F of  
18 Section 2701 of this title. The Oklahoma Tax Commission shall  
19 promulgate and adopt rules necessary to implement the provisions of  
20 this subsection.

21 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1403, as  
22 amended by Section 542, Chapter 304, O.S.L. 2012 (68 O.S. Supp.  
23 2014, Section 1403), is amended to read as follows:  
24

1 Section 1403. It is hereby declared to be the purpose of  
2 Section 1401 et seq. of this title to provide for the support of the  
3 functions of the state and local government of Oklahoma; and for  
4 this purpose and to this end, it is hereby expressly provided that  
5 the revenues derived hereunder, subject to the apportionment  
6 requirements for the Oklahoma Tax Commission and Office of  
7 Management and Enterprise Services Joint Computer Enhancement Fund  
8 provided by Section 265 of this title, are hereby apportioned as  
9 follows:

10 1. a. the following amounts shall be paid by the Tax  
11 Commission to the State Treasurer and placed to the  
12 credit of the General Revenue Fund to be paid out  
13 pursuant to direct appropriation by the Legislature:

14 Fiscal Year	Amount
15 FY 2004	85.35%
16 FY 2005	85.14%
17 FY 2006	85.54%
18 FY 2007	85.04%
19 FY 2008 and each fiscal	
20 year thereafter	83.61%

21 b. in the event that additional monies are necessary  
22 pursuant to paragraph 6 of this section, such  
23 additional monies shall be deducted in the proportion  
24 determined by the State Board of Equalization pursuant

1 to paragraph 3 of Section 2355.1B of this title from  
2 the monies apportioned to the General Revenue Fund;

3 2. Ten and forty-six one-hundredths percent (10.46%) shall be  
4 paid to the State Treasurer to be placed to the credit of the  
5 Education Reform Revolving Fund of the State Department of  
6 Education;

7 3. The following amounts shall be paid to the State Treasurer  
8 to be placed to the credit of the Teachers' Retirement System  
9 Dedicated Revenue Revolving Fund:

10 Fiscal Year	Amount
11 FY 2003 and FY 2004	3.54%
12 FY 2005	3.75%
13 FY 2006	4.0%
14 FY 2007	4.5%
15 FY 2008 and each fiscal	
16 year thereafter	5.0%

17 4. ~~For~~

18 a. except as otherwise provided in subparagraph b of this  
19 paragraph, for the fiscal year beginning July 1, 2010  
20 2015, and for each fiscal year thereafter, eighty-  
21 seven one-hundredths percent (0.87%) shall be paid to  
22 the State Treasurer to be further apportioned as  
23 follows:

24 ~~a.~~

1           (1) thirty-six percent (36%) shall be placed to the  
2           credit of the Oklahoma Tourism Promotion  
3           Revolving Fund, but in no event shall such  
4           apportionment exceed the total amount apportioned  
5           pursuant to this division for the fiscal year  
6           ending on June 30, 2015, and

7           ~~b.~~

8           (2) sixty-four percent (64%) shall be placed to the  
9           credit of the Oklahoma Tourism Capital  
10          Improvement Revolving Fund, but in no event  
11          shall such apportionment exceed the total amount  
12          apportioned pursuant to this division for the  
13          fiscal year ending on June 30, 2015, and

14          b. any amounts which exceed the limitations of  
15          subparagraph a of this paragraph shall be placed to  
16          the credit of the General Revenue Fund;

17          5. For the fiscal year beginning July 1, ~~2010~~ 2015, and for  
18 each fiscal year thereafter, six one-hundredths percent (0.06%)  
19 shall be placed to the credit of the Oklahoma Historical Society  
20 Capital Improvement and Operations Revolving Fund, but in no event  
21 shall such apportionment exceed the total amount apportioned  
22 pursuant to this paragraph for the fiscal year ending on June 30,  
23 2015. Any amounts which exceed the limitations of this paragraph  
24 shall be placed to the credit of the General Revenue Fund; and

1           6. During the first fiscal year after the State Board of  
2 Equalization has made a determination as provided in Section 2355.1B  
3 of this title, regarding a baseline amount of revenue apportioned  
4 pursuant to paragraph 3 of this section, and for each fiscal year  
5 thereafter, in no event shall monies apportioned pursuant to  
6 paragraph 3 of this section, paragraph 3 of Section 1353 of this  
7 title and subparagraph c of paragraph 1 of Section 2352 of this  
8 title be less than such baseline amount.

9           SECTION 3. This act shall become effective July 1, 2015.

10           SECTION 4. It being immediately necessary for the preservation  
11 of the public peace, health and safety, an emergency is hereby  
12 declared to exist, by reason whereof this act shall take effect and  
13 be in full force from and after its passage and approval.

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15           55-1-7528           MAH           05/15/15

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