

SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION BY SENATE

FLOOR AMENDMENT

No. _____

(Date)

Mr./Madame President:

I move to amend Senate Bill No. 1246, by striking the title, enacting clause and entire body of the bill and substituting the attached floor substitute.

Submitted by:

Senator Bingman

Bingman-JCR-FS-Req#3456
2/26/2014 12:44 PM

STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

FLOOR SUBSTITUTE
FOR

SENATE BILL NO. 1246

By: Bingman, Loveless and
Mazzei of the Senate

and

Osborn of the House

FLOOR SUBSTITUTE

[income tax - tax rate - State Board of
Equalization - codification]

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2355, as
amended by Section 2, Chapter 253, O.S.L. 2013 (68 O.S. Supp. 2013,
Section 2355), is amended to read as follows:

Section 2355. A. Individuals. For all taxable years beginning
after December 31, 1998~~7~~ and before January 1, 2006, a tax is hereby
imposed upon the Oklahoma taxable income of every resident or
nonresident individual, which tax shall be computed at the option of
the taxpayer under one of the two following methods:

1. METHOD 1.

a. Single individuals and married individuals filing
separately not deducting federal income tax:

- (1) 1/2% tax on first \$1,000.00 or part thereof,
- (2) 1% tax on next \$1,500.00 or part thereof,
- (3) 2% tax on next \$1,250.00 or part thereof,
- (4) 3% tax on next \$1,150.00 or part thereof,
- (5) 4% tax on next \$1,300.00 or part thereof,
- (6) 5% tax on next \$1,500.00 or part thereof,
- (7) 6% tax on next \$2,300.00 or part thereof, and
- (8) (a) for taxable years beginning after December 31, 1998, and before January 1, 2002, 6.75% tax on the remainder,
- (b) for taxable years beginning on or after January 1, 2002, and before January 1, 2004, 7% tax on the remainder, and
- (c) for taxable years beginning on or after January 1, 2004, 6.65% tax on the remainder.

b. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code and heads of households as defined in the Internal Revenue Code not deducting federal income tax:

- (1) 1/2% tax on first \$2,000.00 or part thereof,
- (2) 1% tax on next \$3,000.00 or part thereof,
- (3) 2% tax on next \$2,500.00 or part thereof,

- (4) 3% tax on next \$2,300.00 or part thereof,
- (5) 4% tax on next \$2,400.00 or part thereof,
- (6) 5% tax on next \$2,800.00 or part thereof,
- (7) 6% tax on next \$6,000.00 or part thereof, and
- (8) (a) for taxable years beginning after December 31, 1998, and before January 1, 2002, 6.75% tax on the remainder,
- (b) for taxable years beginning on or after January 1, 2002, and before January 1, 2004, 7% tax on the remainder, and
- (c) for taxable years beginning on or after January 1, 2004, 6.65% tax on the remainder.

2. METHOD 2.

a. Single individuals and married individuals filing separately deducting federal income tax:

- (1) 1/2% tax on first \$1,000.00 or part thereof,
- (2) 1% tax on next \$1,500.00 or part thereof,
- (3) 2% tax on next \$1,250.00 or part thereof,
- (4) 3% tax on next \$1,150.00 or part thereof,
- (5) 4% tax on next \$1,200.00 or part thereof,
- (6) 5% tax on next \$1,400.00 or part thereof,
- (7) 6% tax on next \$1,500.00 or part thereof,
- (8) 7% tax on next \$1,500.00 or part thereof,
- (9) 8% tax on next \$2,000.00 or part thereof,

1 (10) 9% tax on next \$3,500.00 or part thereof, and

2 (11) 10% tax on the remainder.

3 b. Married individuals filing jointly and surviving
4 spouse to the extent and in the manner that a
5 surviving spouse is permitted to file a joint return
6 under the provisions of the Internal Revenue Code and
7 heads of households as defined in the Internal Revenue
8 Code deducting federal income tax:

9 (1) 1/2% tax on the first \$2,000.00 or part thereof,

10 (2) 1% tax on the next \$3,000.00 or part thereof,

11 (3) 2% tax on the next \$2,500.00 or part thereof,

12 (4) 3% tax on the next \$1,400.00 or part thereof,

13 (5) 4% tax on the next \$1,500.00 or part thereof,

14 (6) 5% tax on the next \$1,600.00 or part thereof,

15 (7) 6% tax on the next \$1,250.00 or part thereof,

16 (8) 7% tax on the next \$1,750.00 or part thereof,

17 (9) 8% tax on the next \$3,000.00 or part thereof,

18 (10) 9% tax on the next \$6,000.00 or part thereof, and

19 (11) 10% tax on the remainder.

20 B. Individuals. For all taxable years beginning on or after
21 January 1, 2008, ~~and ending not later than December 31, 2014,~~ a tax
22 is hereby imposed upon the Oklahoma taxable income of every resident
23 or nonresident individual, which tax shall be computed as follows:
24

1 1. Single individuals and married individuals filing
2 separately:

- 3 (a) 1/2% tax on first \$1,000.00 or part thereof,
- 4 (b) 1% tax on next \$1,500.00 or part thereof,
- 5 (c) 2% tax on next \$1,250.00 or part thereof,
- 6 (d) 3% tax on next \$1,150.00 or part thereof,
- 7 (e) 4% tax on next \$2,300.00 or part thereof,
- 8 (f) 5% tax on next \$1,500.00 or part thereof,
- 9 (g) 5.50% tax on the remainder for the 2008 tax year and
10 any subsequent tax year unless the rate prescribed by
11 subparagraph (h) of this paragraph is in effect, and
12 (h) 5.25% tax on the remainder for the 2009 and subsequent
13 tax years. The decrease in the top marginal
14 individual income tax rate otherwise authorized by
15 this subparagraph shall be contingent upon the
16 determination required to be made by the State Board
17 of Equalization pursuant to Section 2355.1A of this
18 title.

19 2. Married individuals filing jointly and surviving spouse to
20 the extent and in the manner that a surviving spouse is permitted to
21 file a joint return under the provisions of the Internal Revenue
22 Code and heads of households as defined in the Internal Revenue
23 Code:

- 24 (a) 1/2% tax on first \$2,000.00 or part thereof,

- (b) 1% tax on next \$3,000.00 or part thereof,
- (c) 2% tax on next \$2,500.00 or part thereof,
- (d) 3% tax on next \$2,300.00 or part thereof,
- (e) 4% tax on next \$2,400.00 or part thereof,
- (f) 5% tax on next \$2,800.00 or part thereof,
- (g) 5.50% tax on the remainder for the 2008 tax year and any subsequent tax year unless the rate prescribed by subparagraph (h) of this paragraph is in effect, and
- (h) 5.25% tax on the remainder for the 2009 and subsequent tax years. The decrease in the top marginal individual income tax rate otherwise authorized by this subparagraph shall be contingent upon the determination required to be made by the State Board of Equalization pursuant to Section 2355.1A of this title.

~~C. Individuals. For all taxable years beginning on or after January 1, 2015, a tax is hereby imposed upon the Oklahoma taxable income of every resident or nonresident individual, which tax shall be computed as follows:~~

~~1. Single individuals and married individuals filing separately:~~

- ~~(a) 1/2% tax on first \$1,000.00 or part thereof,~~
- ~~(b) 1% tax on next \$1,500.00 or part thereof,~~
- ~~(c) 2% tax on next \$1,250.00 or part thereof,~~

~~(d) 3% tax on next \$1,150.00 or part thereof,~~
~~(e) 4% tax on next \$2,300.00 or part thereof,~~
~~(f) 5% tax on the remainder for the 2015 tax year and any~~
~~subsequent tax year unless the rate prescribed by~~
~~subparagraph (g) of this paragraph is in effect, and~~
~~(g) 4.85% tax on the remainder for tax year 2016 and~~
~~subsequent tax years. The decrease in the top~~
~~marginal individual income tax rate otherwise~~
~~authorized by this subparagraph shall be contingent~~
~~upon the determination required to be made by the~~
~~State Board of Equalization pursuant to Section 3 of~~
~~this act.~~

~~2. Married individuals filing jointly and surviving spouse to~~
~~the extent and in the manner that a surviving spouse is permitted to~~
~~file a joint return under the provisions of the Internal Revenue~~
~~Code and heads of households as defined in the Internal Revenue~~
~~Code:~~

~~(a) 1/2% tax on first \$2,000.00 or part thereof,~~
~~(b) 1% tax on next \$3,000.00 or part thereof,~~
~~(c) 2% tax on next \$2,500.00 or part thereof,~~
~~(d) 3% tax on next \$2,300.00 or part thereof,~~
~~(e) 4% tax on next \$2,400.00 or part thereof,~~

~~(f) 5% tax on the remainder for the 2015 tax year and any subsequent tax year unless the rate prescribed by subparagraph (g) of this paragraph is in effect, and (g) 4.85% tax on the remainder for tax year 2016 and subsequent tax years. The decrease in the top marginal individual income tax rate otherwise authorized by this subparagraph shall be contingent upon the determination required to be made by the State Board of Equalization pursuant to Section 3 of this act.~~

No deduction for federal income taxes paid shall be allowed to any taxpayer to arrive at taxable income.

~~D.~~ C. Nonresident aliens. In lieu of the rates set forth in subsection A above, there shall be imposed on nonresident aliens, as defined in the Internal Revenue Code, a tax of eight percent (8%) instead of thirty percent (30%) as used in the Internal Revenue Code, with respect to the Oklahoma taxable income of such nonresident aliens as determined under the provision of the Oklahoma Income Tax Act.

Every payer of amounts covered by this subsection shall deduct and withhold from such amounts paid each payee an amount equal to eight percent (8%) thereof. Every payer required to deduct and withhold taxes under this subsection shall for each quarterly period on or before the last day of the month following the close of each

1 such quarterly period, pay over the amount so withheld as taxes to
2 the Tax Commission, and shall file a return with each such payment.
3 Such return shall be in such form as the Tax Commission shall
4 prescribe. Every payer required under this subsection to deduct and
5 withhold a tax from a payee shall, as to the total amounts paid to
6 each payee during the calendar year, furnish to such payee, on or
7 before January 31, of the succeeding year, a written statement
8 showing the name of the payer, the name of the payee and the payee's
9 social security account number, if any, the total amount paid
10 subject to taxation, and the total amount deducted and withheld as
11 tax and such other information as the Tax Commission may require.
12 Any payer who fails to withhold or pay to the Tax Commission any
13 sums herein required to be withheld or paid shall be personally and
14 individually liable therefor to the State of Oklahoma.

15 ~~E.~~ D. Corporations. For all taxable years beginning after
16 December 31, 1989, a tax is hereby imposed upon the Oklahoma taxable
17 income of every corporation doing business within this state or
18 deriving income from sources within this state in an amount equal to
19 six percent (6%) thereof.

20 There shall be no additional Oklahoma income tax imposed on
21 accumulated taxable income or on undistributed personal holding
22 company income as those terms are defined in the Internal Revenue
23 Code.
24

1 ~~F.~~ E. Certain foreign corporations. In lieu of the tax imposed
2 in the first paragraph of subsection ~~D~~ C of this section, for all
3 taxable years beginning after December 31, 1989, there shall be
4 imposed on foreign corporations, as defined in the Internal Revenue
5 Code, a tax of six percent (6%) instead of thirty percent (30%) as
6 used in the Internal Revenue Code, where such income is received
7 from sources within Oklahoma, in accordance with the provisions of
8 the Internal Revenue Code and the Oklahoma Income Tax Act.

9 Every payer of amounts covered by this subsection shall deduct
10 and withhold from such amounts paid each payee an amount equal to
11 six percent (6%) thereof. Every payer required to deduct and
12 withhold taxes under this subsection shall for each quarterly period
13 on or before the last day of the month following the close of each
14 such quarterly period, pay over the amount so withheld as taxes to
15 the Tax Commission, and shall file a return with each such payment.
16 Such return shall be in such form as the Tax Commission shall
17 prescribe. Every payer required under this subsection to deduct and
18 withhold a tax from a payee shall, as to the total amounts paid to
19 each payee during the calendar year, furnish to such payee, on or
20 before January 31, of the succeeding year, a written statement
21 showing the name of the payer, the name of the payee and the payee's
22 social security account number, if any, the total amounts paid
23 subject to taxation, the total amount deducted and withheld as tax
24 and such other information as the Tax Commission may require. Any

1 payer who fails to withhold or pay to the Tax Commission any sums
2 herein required to be withheld or paid shall be personally and
3 individually liable therefor to the State of Oklahoma.

4 ~~G.~~ F. Fiduciaries. A tax is hereby imposed upon the Oklahoma
5 taxable income of every trust and estate at the same rates as are
6 provided in subsection B ~~or~~ E of this section for single
7 individuals. Fiduciaries are not allowed a deduction for any
8 federal income tax paid.

9 ~~H.~~ G. Tax rate tables. For all taxable years beginning after
10 December 31, 1991, in lieu of the tax imposed by subsection A, or B
11 ~~or~~ E of this section, as applicable there is hereby imposed for each
12 taxable year on the taxable income of every individual, whose
13 taxable income for such taxable year does not exceed the ceiling
14 amount, a tax determined under tables, applicable to such taxable
15 year which shall be prescribed by the Tax Commission and which shall
16 be in such form as it determines appropriate. In the table so
17 prescribed, the amounts of the tax shall be computed on the basis of
18 the rates prescribed by ~~subsection A, B or C~~ subsections A and B of
19 this section. For purposes of this subsection, the term "ceiling
20 amount" means, with respect to any taxpayer, the amount determined
21 by the Tax Commission for the tax rate category in which such
22 taxpayer falls.

SECTION 2. AMENDATORY 68 O.S. 2011, Section 2355, as last amended by Section 1 of this act, is amended to read as follows:

Section 2355. A. Individuals. For all taxable years beginning after December 31, 1998, and before January 1, 2006, a tax is hereby imposed upon the Oklahoma taxable income of every resident or nonresident individual, which tax shall be computed at the option of the taxpayer under one of the two following methods:

1. METHOD 1.

a. Single individuals and married individuals filing separately not deducting federal income tax:

(1) 1/2% tax on first \$1,000.00 or part thereof,

(2) 1% tax on next \$1,500.00 or part thereof,

(3) 2% tax on next \$1,250.00 or part thereof,

(4) 3% tax on next \$1,150.00 or part thereof,

(5) 4% tax on next \$1,300.00 or part thereof,

(6) 5% tax on next \$1,500.00 or part thereof,

(7) 6% tax on next \$2,300.00 or part thereof, and

(8) (a) for taxable years beginning after December 31, 1998, and before January 1, 2002, 6.75% tax on the remainder,

(b) for taxable years beginning on or after January 1, 2002, and before January 1, 2004, 7% tax on the remainder, and

(c) for taxable years beginning on or after
January 1, 2004, 6.65% tax on the remainder.

b. Married individuals filing jointly and surviving
spouse to the extent and in the manner that a
surviving spouse is permitted to file a joint return
under the provisions of the Internal Revenue Code and
heads of households as defined in the Internal Revenue
Code not deducting federal income tax:

(1) 1/2% tax on first \$2,000.00 or part thereof,

(2) 1% tax on next \$3,000.00 or part thereof,

(3) 2% tax on next \$2,500.00 or part thereof,

(4) 3% tax on next \$2,300.00 or part thereof,

(5) 4% tax on next \$2,400.00 or part thereof,

(6) 5% tax on next \$2,800.00 or part thereof,

(7) 6% tax on next \$6,000.00 or part thereof, and

(8) (a) for taxable years beginning after December

31, 1998, and before January 1, 2002, 6.75%

tax on the remainder,

(b) for taxable years beginning on or after

January 1, 2002, and before January 1, 2004,

7% tax on the remainder, and

(c) for taxable years beginning on or after

January 1, 2004, 6.65% tax on the remainder.

2. METHOD 2.

a. Single individuals and married individuals filing separately deducting federal income tax:

- (1) 1/2% tax on first \$1,000.00 or part thereof,
- (2) 1% tax on next \$1,500.00 or part thereof,
- (3) 2% tax on next \$1,250.00 or part thereof,
- (4) 3% tax on next \$1,150.00 or part thereof,
- (5) 4% tax on next \$1,200.00 or part thereof,
- (6) 5% tax on next \$1,400.00 or part thereof,
- (7) 6% tax on next \$1,500.00 or part thereof,
- (8) 7% tax on next \$1,500.00 or part thereof,
- (9) 8% tax on next \$2,000.00 or part thereof,
- (10) 9% tax on next \$3,500.00 or part thereof, and
- (11) 10% tax on the remainder.

b. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code and heads of households as defined in the Internal Revenue Code deducting federal income tax:

- (1) 1/2% tax on the first \$2,000.00 or part thereof,
- (2) 1% tax on the next \$3,000.00 or part thereof,
- (3) 2% tax on the next \$2,500.00 or part thereof,
- (4) 3% tax on the next \$1,400.00 or part thereof,
- (5) 4% tax on the next \$1,500.00 or part thereof,

- (6) 5% tax on the next \$1,600.00 or part thereof,
- (7) 6% tax on the next \$1,250.00 or part thereof,
- (8) 7% tax on the next \$1,750.00 or part thereof,
- (9) 8% tax on the next \$3,000.00 or part thereof,
- (10) 9% tax on the next \$6,000.00 or part thereof, and
- (11) 10% tax on the remainder.

B. Individuals. For all taxable years beginning on or after January 1, 2008, and ending any tax year which begins after December 31, 2015, for which the determination required pursuant to Sections 4 and 5 of this act is made by the State Board of Equalization, a tax is hereby imposed upon the Oklahoma taxable income of every resident or nonresident individual, which tax shall be computed as follows:

1. Single individuals and married individuals filing separately:

- (a) 1/2% tax on first \$1,000.00 or part thereof,
- (b) 1% tax on next \$1,500.00 or part thereof,
- (c) 2% tax on next \$1,250.00 or part thereof,
- (d) 3% tax on next \$1,150.00 or part thereof,
- (e) 4% tax on next \$2,300.00 or part thereof,
- (f) 5% tax on next \$1,500.00 or part thereof,
- (g) 5.50% tax on the remainder for the 2008 tax year and any subsequent tax year unless the rate prescribed by subparagraph (h) of this paragraph is in effect, and

(h) 5.25% tax on the remainder for the 2009 and subsequent tax years. The decrease in the top marginal individual income tax rate otherwise authorized by this subparagraph shall be contingent upon the determination required to be made by the State Board of Equalization pursuant to Section 2355.1A of this title.

2. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code and heads of households as defined in the Internal Revenue Code:

- (a) 1/2% tax on first \$2,000.00 or part thereof,
- (b) 1% tax on next \$3,000.00 or part thereof,
- (c) 2% tax on next \$2,500.00 or part thereof,
- (d) 3% tax on next \$2,300.00 or part thereof,
- (e) 4% tax on next \$2,400.00 or part thereof,
- (f) 5% tax on next \$2,800.00 or part thereof,
- (g) 5.50% tax on the remainder for the 2008 tax year and any subsequent tax year unless the rate prescribed by subparagraph (h) of this paragraph is in effect, and
- (h) 5.25% tax on the remainder for the 2009 and subsequent tax years. The decrease in the top marginal individual income tax rate otherwise authorized by

1 this subparagraph shall be contingent upon the
2 determination required to be made by the State Board
3 of Equalization pursuant to Section 2355.1A of this
4 title.

5 C. Individuals. For all taxable years beginning on or after
6 January 1, 2016, and for which the determination required pursuant
7 to Sections 4 and 5 of this act is made by the State Board of
8 Equalization, a tax is hereby imposed upon the Oklahoma taxable
9 income of every resident or nonresident individual, which tax shall
10 be computed as follows:

11 1. Single individuals and married individuals filing
12 separately:

13 (a) 1/2% tax on first \$1,000.00 or part thereof,

14 (b) 1% tax on next \$1,500.00 or part thereof,

15 (c) 2% tax on next \$1,250.00 or part thereof,

16 (d) 3% tax on next \$1,150.00 or part thereof,

17 (e) 4% tax on next \$2,300.00 or part thereof,

18 (f) 5% tax on the remainder if the State Board of

19 Equalization makes a determination pursuant to Section

20 4 of this act or four and eighty-five hundredths

21 (4.85%) tax on the remainder if the State Board of

22 Equalization makes a determination pursuant to Section

23 5 of this act.

1 2. Married individuals filing jointly and surviving spouse to
2 the extent and in the manner that a surviving spouse is permitted to
3 file a joint return under the provisions of the Internal Revenue
4 Code and heads of households as defined in the Internal Revenue
5 Code:

6 (a) 1/2% tax on first \$2,000.00 or part thereof,

7 (b) 1% tax on next \$3,000.00 or part thereof,

8 (c) 2% tax on next \$2,500.00 or part thereof,

9 (d) 3% tax on next \$2,300.00 or part thereof,

10 (e) 4% tax on next \$2,400.00 or part thereof,

11 (f) 5% tax on the remainder if the State Board of
12 Equalization makes a determination pursuant to Section
13 4 of this act or four and eighty-five hundredths
14 percent (4.85%) tax on the remainder if the State
15 Board of Equalization makes a determination pursuant
16 to Section 5 of this act.

17 No deduction for federal income taxes paid shall be allowed to
18 any taxpayer to arrive at taxable income.

19 ~~C.~~ D. Nonresident aliens. In lieu of the rates set forth in
20 subsection A above, there shall be imposed on nonresident aliens, as
21 defined in the Internal Revenue Code, a tax of eight percent (8%)
22 instead of thirty percent (30%) as used in the Internal Revenue
23 Code, with respect to the Oklahoma taxable income of such
24

1 nonresident aliens as determined under the provision of the Oklahoma
2 Income Tax Act.

3 Every payer of amounts covered by this subsection shall deduct
4 and withhold from such amounts paid each payee an amount equal to
5 eight percent (8%) thereof. Every payer required to deduct and
6 withhold taxes under this subsection shall for each quarterly period
7 on or before the last day of the month following the close of each
8 such quarterly period, pay over the amount so withheld as taxes to
9 the Tax Commission, and shall file a return with each such payment.
10 Such return shall be in such form as the Tax Commission shall
11 prescribe. Every payer required under this subsection to deduct and
12 withhold a tax from a payee shall, as to the total amounts paid to
13 each payee during the calendar year, furnish to such payee, on or
14 before January 31, of the succeeding year, a written statement
15 showing the name of the payer, the name of the payee and the payee's
16 social security account number, if any, the total amount paid
17 subject to taxation, and the total amount deducted and withheld as
18 tax and such other information as the Tax Commission may require.
19 Any payer who fails to withhold or pay to the Tax Commission any
20 sums herein required to be withheld or paid shall be personally and
21 individually liable therefor to the State of Oklahoma.

22 ~~D.~~ E. Corporations. For all taxable years beginning after
23 December 31, 1989, a tax is hereby imposed upon the Oklahoma taxable
24 income of every corporation doing business within this state or

1 deriving income from sources within this state in an amount equal to
2 six percent (6%) thereof.

3 There shall be no additional Oklahoma income tax imposed on
4 accumulated taxable income or on undistributed personal holding
5 company income as those terms are defined in the Internal Revenue
6 Code.

7 ~~E.~~ F. Certain foreign corporations. In lieu of the tax imposed
8 in the first paragraph of subsection ~~E~~ D of this section, for all
9 taxable years beginning after December 31, 1989, there shall be
10 imposed on foreign corporations, as defined in the Internal Revenue
11 Code, a tax of six percent (6%) instead of thirty percent (30%) as
12 used in the Internal Revenue Code, where such income is received
13 from sources within Oklahoma, in accordance with the provisions of
14 the Internal Revenue Code and the Oklahoma Income Tax Act.

15 Every payer of amounts covered by this subsection shall deduct
16 and withhold from such amounts paid each payee an amount equal to
17 six percent (6%) thereof. Every payer required to deduct and
18 withhold taxes under this subsection shall for each quarterly period
19 on or before the last day of the month following the close of each
20 such quarterly period, pay over the amount so withheld as taxes to
21 the Tax Commission, and shall file a return with each such payment.
22 Such return shall be in such form as the Tax Commission shall
23 prescribe. Every payer required under this subsection to deduct and
24 withhold a tax from a payee shall, as to the total amounts paid to

1 each payee during the calendar year, furnish to such payee, on or
2 before January 31, of the succeeding year, a written statement
3 showing the name of the payer, the name of the payee and the payee's
4 social security account number, if any, the total amounts paid
5 subject to taxation, the total amount deducted and withheld as tax
6 and such other information as the Tax Commission may require. Any
7 payer who fails to withhold or pay to the Tax Commission any sums
8 herein required to be withheld or paid shall be personally and
9 individually liable therefor to the State of Oklahoma.

10 ~~F.~~ G. Fiduciaries. A tax is hereby imposed upon the Oklahoma
11 taxable income of every trust and estate at the same rates as are
12 provided in subsection B or C of this section for single
13 individuals. Fiduciaries are not allowed a deduction for any
14 federal income tax paid.

15 ~~G.~~ H. Tax rate tables. For all taxable years beginning after
16 December 31, 1991, in lieu of the tax imposed by subsection A ~~or~~, B
17 or C of this section, as applicable there is hereby imposed for each
18 taxable year on the taxable income of every individual, whose
19 taxable income for such taxable year does not exceed the ceiling
20 amount, a tax determined under tables, applicable to such taxable
21 year which shall be prescribed by the Tax Commission and which shall
22 be in such form as it determines appropriate. In the table so
23 prescribed, the amounts of the tax shall be computed on the basis of
24 the rates prescribed by ~~subsections~~ subsection A ~~and~~, B or C of this

1 section. For purposes of this subsection, the term "ceiling amount"
2 means, with respect to any taxpayer, the amount determined by the
3 Tax Commission for the tax rate category in which such taxpayer
4 falls.

5 SECTION 3. REPEALER Section 3, Chapter 253, O.S.L. 2013
6 (68 O.S. Supp. 2013, Section 2355.1E), is hereby repealed.

7 SECTION 4. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 2355.1F of Title 68, unless
9 there is created a duplication in numbering, reads as follows:

10 A. The provisions of this section shall be applicable with
11 respect to the implementation of the five percent (5%) top marginal
12 rate of individual income tax otherwise authorized pursuant to the
13 provisions of subparagraph (f) of paragraphs 1 and 2 of subsection C
14 of Section 2355 of Title 68 of the Oklahoma Statutes, which shall be
15 contingent upon a determination by the State Board of Equalization
16 made by a comparison described by this section which shall be
17 conducted until the income tax rate of five percent (5%) is
18 effective.

19 B. In addition to any other duties prescribed by law, at the
20 meeting required by paragraph 1 of Section 23 of Article X of the
21 Oklahoma Constitution to be held in December 2014, and for any
22 subsequent December meeting of the State Board of Equalization, if
23 the five percent (5%) top marginal income tax rate prescribed by
24 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section

2355 of Title 68 of the Oklahoma Statutes has not become effective,
the State Board of Equalization shall compare:

1. The total General Revenue Fund proposed estimate for fiscal
year 2014 which was certified at the State Board of Equalization
meeting held in February 2013; and

2. The total General Revenue Fund proposed estimate for fiscal
year 2016, or if the five percent (5%) top marginal income tax rate
prescribed by subparagraph (f) of paragraphs 1 and 2 of subsection C
of Section 2355 of Title 68 of the Oklahoma Statutes has not become
effective, the fiscal year for which the Board is certifying a
proposed estimate.

If the amount determined pursuant to the provisions of paragraph
2 of this subsection is equal to or greater than the amount
determined pursuant to the provisions of paragraph 1 of this
subsection, the Board shall make a finding that the revenue
computations required by this section will authorize the
implementation of the five percent (5%) top marginal income tax rate
prescribed by subparagraph (f) of paragraphs 1 and 2 of subsection C
of Section 2355 of Title 68 of the Oklahoma Statutes beginning on
the second January 1 following the December meeting.

If the amount determined pursuant to the provisions of paragraph
2 of this subsection is less than the amount determined pursuant to
the provisions of paragraph 1 of this subsection, the Board shall
make a finding that the revenue computations required by this

1 section will not authorize the implementation of the five percent
2 (5%) top marginal income tax rate prescribed by subparagraph (f) of
3 paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of
4 the Oklahoma Statutes beginning on the second January 1 following
5 the December meeting.

6 C. If the Board makes a finding that the revenue computations
7 required by this section do not authorize the implementation of the
8 5% top marginal income tax rate prescribed by of subparagraph (f) of
9 paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of
10 the Oklahoma Statutes beginning with calendar year 2016 pursuant to
11 the provisions of subsection B of this section, such procedures
12 shall be repeated by the State Board of Equalization for each
13 successive two-year comparison until the rate is implemented.

14 SECTION 5. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 2355.1G of Title 68, unless
16 there is created a duplication in numbering, reads as follows:

17 A. The provisions of this section shall be applicable with
18 respect to the implementation of the four and eighty-five hundredths
19 percent (4.85%) top marginal rate of individual income tax otherwise
20 authorized pursuant to the provisions of subparagraph (f) of
21 paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of
22 the Oklahoma Statutes, which shall be contingent upon a
23 determination by the State Board of Equalization made by a
24 comparison of the revenue computations described by this section

1 which shall be conducted until the income tax rate of four and
2 eighty-five hundredths percent (4.85%) is effective.

3 B. In addition to any other duties prescribed by law, at the
4 meeting required by paragraph 1 of Section 23 of Article X of the
5 Oklahoma Constitution to be held in December of the year in which
6 the five percent (5%) top marginal income tax rate prescribed by
7 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
8 2355 of Title 68 of the Oklahoma Statutes becomes effective, and for
9 any subsequent December meeting of the State Board of Equalization,
10 if the four and eighty-five hundredths percent (4.85%) top marginal
11 income tax rate prescribed by subparagraph (f) of paragraphs 1 and 2
12 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes
13 has not become effective, the State Board of Equalization shall
14 determine:

15 1. The amount of estimated revenue growth in the General
16 Revenue Fund of the State Treasury for the fiscal year beginning on
17 the next ensuing July 1; and

18 2. The amount by which the income tax revenue for the tax year
19 which will begin on the second January 1 following such December
20 meeting is estimated to be reduced by a fifteen hundredths percent
21 (0.15%) decrease in the top marginal income tax rate, in order for a
22 top marginal income tax rate of four and eighty-five hundredths
23 percent (4.85%) to be effective.

1 If the amount determined pursuant to the provisions of paragraph
2 1 of this subsection is equal to or greater than the amount
3 determined pursuant to the provisions of paragraph 2 of this
4 subsection, the Board shall make a preliminary finding that the
5 Board anticipates that a finding will be made at the February
6 meeting immediately subsequent to the December meeting that the
7 revenue computations required by this section will authorize the
8 implementation of the four and eighty-five hundredths percent
9 (4.85%) top marginal rate pursuant to subparagraph (f) of paragraphs
10 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma
11 Statutes beginning on the second January 1 following the December
12 meeting.

13 If the amount determined pursuant to the provisions of paragraph
14 1 of this subsection is less than the amount determined pursuant to
15 the provisions of paragraph 2 of this subsection, the Board shall
16 make a preliminary finding that the Board anticipates that a finding
17 will be made at the February meeting immediately subsequent to the
18 December meeting that the revenue computations required by this
19 section will not authorize the implementation of the four and
20 eighty-five hundredths percent (4.85%) top marginal income tax rate
21 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
22 2355 of Title 68 of the Oklahoma Statutes beginning on the second
23 January 1 following the December meeting.

1 C. In addition to any other duties prescribed by law, at the
2 meeting required by paragraph 3 of Section 23 of Article X of the
3 Oklahoma Constitution to be held in February following the year in
4 which the five percent (5%) top marginal income tax rate prescribed
5 by subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
6 2355 of Title 68 of the Oklahoma Statutes becomes effective, and for
7 any subsequent February meeting of the State Board of Equalization,
8 if the four and eighty-five hundredths percent (4.85%) top marginal
9 income tax rate prescribed by subparagraph (f) of paragraphs 1 and 2
10 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes
11 has not become effective, the State Board of Equalization shall
12 determine:

13 1. The amount of estimated revenue growth in the General
14 Revenue Fund of the State Treasury for the fiscal year beginning on
15 the next ensuing July 1; and

16 2. The amount by which the income tax revenue for the tax year
17 which will begin on the January 1 immediately following the February
18 meeting is estimated to be reduced by a fifteen hundredths percent
19 (.15%) decrease in the top marginal income tax rate, in order for a
20 top marginal income tax rate of four and eighty-five hundredths
21 percent (4.85%) to be effective.

22 If the amount determined pursuant to the provisions of paragraph
23 1 of this subsection is equal to or greater than the amount
24 determined pursuant to the provisions of paragraph 2 of this

1 subsection, the Board shall make a finding that the revenue
2 computations required by this section will authorize the
3 implementation of the four and eighty-five hundredths percent
4 (4.85%) top marginal income tax rate pursuant to subparagraph (f) of
5 paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of
6 the Oklahoma Statutes beginning on the January 1 immediately
7 following the February meeting.

8 If the amount determined pursuant to the provisions of paragraph
9 1 of this subsection is less than the amount determined pursuant to
10 the provisions of paragraph 2 of this subsection, the Board shall
11 make a finding that the revenue computations required by this
12 section do not authorize the implementation of the four and eighty-
13 five hundredths percent (4.85%) top marginal income tax rate
14 pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C
15 of Section 2355 of Title 68 of the Oklahoma Statutes beginning with
16 the January 1 immediately following the February meeting.

17 D. If the Board makes a finding that the revenue computations
18 required by this section do not authorize the implementation of the
19 four and eighty-five hundredths percent (4.85%) top marginal income
20 tax rate pursuant to subparagraph (f) of paragraphs 1 and 2 of
21 subsection C of Section 2355 of Title 68 of the Oklahoma Statutes
22 beginning with calendar year 2018 pursuant to the provisions of
23 subsection C of this section, the procedures prescribed by
24 subsection A, subsection B, and subsection C of this section shall

1 be repeated by the State Board of Equalization for each successive
2 two-year comparison. Once the four and eighty-five hundredths
3 percent (4.85%) top marginal income tax rate otherwise authorized
4 pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C
5 of Section 2355 of Title 68 of the Oklahoma Statutes has been
6 implemented, such income tax rate shall be in effect for all
7 subsequent tax years.

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