

STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

SENATE BILL 1246

By: Loveless

AS INTRODUCED

An Act relating to income tax; amending 68 O.S. 2011, Section 2355, as amended by Section 2, Chapter 253, O.S.L. 2013 (68 O.S. Supp. 2013, Section 2355), which relates to imposition of tax; deleting expiration date of specified tax rate levy; deleting tax rate applicable to certain time periods under specified circumstances; conforming references; amending 68 O.S. 2011, Section 2355, as last amended by Section 1 of this act, which relates to imposition of tax; providing expiration date for specified tax rate levy; modifying tax rate applicable to certain amounts of taxable income during specified time periods; providing for certain tax levy contingent upon specified determination by State Board of Equalization; conforming language; imposing specified duties on State Board of Equalization related to implementation of certain top marginal income tax rate; prescribing method for specified computation; mandating certain action based on computation; repealing Section 3, Chapter 253, O.S.L. 2013 (68 O.S. Supp. 2013, Section 2355.1E), which relates to implementation of certain top marginal income tax rate; providing for codification and declaring an emergency.

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:

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

6       1. METHOD 1.

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

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

10              (2) 1% tax on next \$1,500.00 or part thereof,

11              (3) 2% tax on next \$1,250.00 or part thereof,

12              (4) 3% tax on next \$1,150.00 or part thereof,

13              (5) 4% tax on next \$1,300.00 or part thereof,

14              (6) 5% tax on next \$1,500.00 or part thereof,

15              (7) 6% tax on next \$2,300.00 or part thereof, and

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

17                       31, 1998, and before January 1, 2002, 6.75%

18                       tax on the remainder,

19              (b) for taxable years beginning on or after

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

21                       7% tax on the remainder, and

22              (c) for taxable years beginning on or after

23                       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 not later than December 31, 2014,~~ 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

1 of Equalization pursuant to Section 2355.1A of this  
2 title.

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

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

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

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

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

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

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

14 (g) 5.50% tax on the remainder for the 2008 tax year and

15 any subsequent tax year unless the rate prescribed by

16 subparagraph (h) of this paragraph is in effect, and

17 (h) 5.25% tax on the remainder for the 2009 and subsequent

18 tax years. The decrease in the top marginal

19 individual income tax rate otherwise authorized by

20 this subparagraph shall be contingent upon the

21 determination required to be made by the State Board

22 of Equalization pursuant to Section 2355.1A of this

23 title.  
24

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

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

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

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

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

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

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

12          ~~(f) 5% tax on the remainder for the 2015 tax year and any~~

13           ~~subsequent tax year unless the rate prescribed by~~

14           ~~subparagraph (g) of this paragraph is in effect, and~~

15          ~~(g) 4.85% tax on the remainder for tax year 2016 and~~

16           ~~subsequent tax years. The decrease in the top~~

17           ~~marginal individual income tax rate otherwise~~

18           ~~authorized by this subparagraph shall be contingent~~

19           ~~upon the determination required to be made by the~~

20           ~~State Board of Equalization pursuant to Section 3 of~~

21           ~~this act.~~

22       ~~2. Married individuals filing jointly and surviving spouse to~~  
23 ~~the extent and in the manner that a surviving spouse is permitted to~~  
24 ~~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



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 ~~E.~~ D. 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 ~~F.~~ E. Certain foreign corporations. In lieu of the tax imposed  
8 in the first paragraph of subsection ~~D~~ C 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 ~~G.~~ F. 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 ~~H.~~ G. 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 ~~subsection A, B or C~~ subsections A and B of

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

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

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

13 1. METHOD 1.

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

- 16 (1) 1/2% tax on first \$1,000.00 or part thereof,  
17 (2) 1% tax on next \$1,500.00 or part thereof,  
18 (3) 2% tax on next \$1,250.00 or part thereof,  
19 (4) 3% tax on next \$1,150.00 or part thereof,  
20 (5) 4% tax on next \$1,300.00 or part thereof,  
21 (6) 5% tax on next \$1,500.00 or part thereof,  
22 (7) 6% tax on next \$2,300.00 or part thereof, and  
23  
24

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

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

- 15 (1) 1/2% tax on first \$2,000.00 or part thereof,  
16 (2) 1% tax on next \$3,000.00 or part thereof,  
17 (3) 2% tax on next \$2,500.00 or part thereof,  
18 (4) 3% tax on next \$2,300.00 or part thereof,  
19 (5) 4% tax on next \$2,400.00 or part thereof,  
20 (6) 5% tax on next \$2,800.00 or part thereof,  
21 (7) 6% tax on next \$6,000.00 or part thereof, and  
22 (8) (a) for taxable years beginning after December  
23 31, 1998, and before January 1, 2002, 6.75%  
24 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 not later than December 31, 2014, 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,

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

12 2. Married individuals filing jointly and surviving spouse to

13 the extent and in the manner that a surviving spouse is permitted to

14 file a joint return under the provisions of the Internal Revenue

15 Code and heads of households as defined in the Internal Revenue

16 Code:

- 17 (a) 1/2% tax on first \$2,000.00 or part thereof,
- 18 (b) 1% tax on next \$3,000.00 or part thereof,
- 19 (c) 2% tax on next \$2,500.00 or part thereof,
- 20 (d) 3% tax on next \$2,300.00 or part thereof,
- 21 (e) 4% tax on next \$2,400.00 or part thereof,
- 22 (f) 5% tax on next \$2,800.00 or part thereof,
- 23
- 24



- 1 (g) 5.50% tax on the remainder for the 2008 tax year and  
2 any subsequent tax year unless the rate prescribed by  
3 subparagraph (h) of this paragraph is in effect, and  
4 (h) 5.25% tax on the remainder for the 2009 and subsequent  
5 tax years. The decrease in the top marginal  
6 individual income tax rate otherwise authorized by  
7 this subparagraph shall be contingent upon the  
8 determination required to be made by the State Board  
9 of Equalization pursuant to Section 2355.1A of this  
10 title.

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

15 1. Single individuals and married individuals filing  
16 separately:

- 17 (a) 1/2% tax on first \$1,000.00 or part thereof,  
18 (b) 1% tax on next \$1,500.00 or part thereof,  
19 (c) 2% tax on next \$1,250.00 or part thereof,  
20 (d) 3% tax on next \$1,150.00 or part thereof,  
21 (e) 4% tax on next \$2,300.00 or part thereof,  
22 (f) 5% tax on the remainder for the 2015 tax year and any  
23 subsequent tax year unless the rate prescribed by  
24 subparagraph (g) of this paragraph is in effect, and

1       (g) 4.85% tax on the remainder for tax year 2016 and  
2       subsequent tax years. The decrease in the top  
3       marginal individual income tax rate otherwise  
4       authorized by this subparagraph shall be contingent  
5       upon the determination required to be made by the  
6       State Board of Equalization pursuant to Section 4 of  
7       this act.

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

- 13       (a) 1/2% tax on first \$2,000.00 or part thereof,  
14       (b) 1% tax on next \$3,000.00 or part thereof,  
15       (c) 2% tax on next \$2,500.00 or part thereof,  
16       (d) 3% tax on next \$2,300.00 or part thereof,  
17       (e) 4% tax on next \$2,400.00 or part thereof,  
18       (f) 5% tax on the remainder for the 2015 tax year and any  
19       subsequent tax year unless the rate prescribed by  
20       subparagraph (g) of this paragraph is in effect, and  
21       (g) 4.85% tax on the remainder for tax year 2016 and  
22       subsequent tax years. The decrease in the top  
23       marginal individual income tax rate otherwise  
24       authorized by this subparagraph shall be contingent

1                   upon the determination required to be made by the  
2                   State Board of Equalization pursuant to Section 4 of  
3                   this act.

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

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

13       Every payer of amounts covered by this subsection shall deduct  
14 and withhold from such amounts paid each payee an amount equal to  
15 eight percent (8%) thereof. Every payer required to deduct and  
16 withhold taxes under this subsection shall for each quarterly period  
17 on or before the last day of the month following the close of each  
18 such quarterly period, pay over the amount so withheld as taxes to  
19 the Tax Commission, and shall file a return with each such payment.  
20 Such return shall be in such form as the Tax Commission shall  
21 prescribe. Every payer required under this subsection to deduct and  
22 withhold a tax from a payee shall, as to the total amounts paid to  
23 each payee during the calendar year, furnish to such payee, on or  
24 before January 31, of the succeeding year, a written statement

1 showing the name of the payer, the name of the payee and the payee's  
2 social security account number, if any, the total amount paid  
3 subject to taxation, and the total amount deducted and withheld as  
4 tax and such other information as the Tax Commission may require.

5 Any payer who fails to withhold or pay to the Tax Commission any  
6 sums herein required to be withheld or paid shall be personally and  
7 individually liable therefor to the State of Oklahoma.

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

13 There shall be no additional Oklahoma income tax imposed on  
14 accumulated taxable income or on undistributed personal holding  
15 company income as those terms are defined in the Internal Revenue  
16 Code.

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

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

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

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

15        SECTION 3.        REPEALER        Section 3, Chapter 253, O.S.L. 2013  
16 (68 O.S. Supp. 2013, Section 2355.1E), is hereby repealed.

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

20        A. The provisions of this section shall be applicable with  
21 respect to the implementation of the decreases in the top marginal  
22 rate of individual income tax otherwise authorized pursuant to the  
23 provisions of subparagraph (g) of paragraphs 1 and 2 of subsection C  
24 of Section 2355 of Title 68 of the Oklahoma Statutes, which shall be

1 contingent upon a determination by the State Board of Equalization  
2 made by a comparison of the revenue computations described by this  
3 section which shall be conducted until the income tax rate of four  
4 and eighty-five hundredths percent (4.85%) is effective.

5 B. In addition to any other duties prescribed by law, at the  
6 meeting required by paragraph 1 of Section 23 of Article X of the  
7 Oklahoma Constitution to be held in December 2014, and for any  
8 subsequent December meeting of the State Board of Equalization if  
9 the top marginal income tax rate prescribed by subparagraph (g) of  
10 paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of  
11 the Oklahoma Statutes has not become effective, the State Board of  
12 Equalization shall 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 second January 1 following such December  
18 meeting is estimated to be reduced by a fifteen hundredths percent  
19 (0.15%) 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 preliminary finding that the  
2 Board anticipates that a finding will be made at the February  
3 meeting immediately subsequent to the December meeting that the  
4 revenue computations required by this section will authorize the  
5 implementation of the provisions of subparagraph (g) of paragraphs 1  
6 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma  
7 Statutes beginning on the second January 1 following the December  
8 meeting.

9       If the amount determined pursuant to the provisions of paragraph  
10 1 of this subsection is less than the amount determined pursuant to  
11 the provisions of paragraph 2 of this subsection, the Board shall  
12 make a preliminary finding that the Board anticipates that a finding  
13 will be made at the February meeting immediately subsequent to the  
14 December meeting that the revenue computations required by this  
15 section will not authorize the implementation of the provisions of  
16 subparagraph (g) of paragraphs 1 and 2 of subsection C of Section  
17 2355 of Title 68 of the Oklahoma Statutes beginning on the second  
18 January 1 following the December meeting.

19       C. In addition to any other duties prescribed by law, at the  
20 meeting required by paragraph 3 of Section 23 of Article X of the  
21 Oklahoma Constitution to be held in February 2015, and for any  
22 subsequent February meeting of the State Board of Equalization if  
23 the top marginal income tax rate prescribed by subparagraph (g) of  
24 paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of



1 the Oklahoma Statutes has not become effective the State Board of  
2 Equalization shall determine:

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

6 2. The amount by which the income tax revenue for the tax year  
7 which will begin on the January 1 immediately following the February  
8 meeting is estimated to be reduced by a fifteen hundredths percent  
9 (.15%) decrease in the top marginal income tax rate, in order for a  
10 top marginal income tax rate of four and eighty-five hundredths  
11 percent (4.85%) to be effective.

12 If the amount determined pursuant to the provisions of paragraph  
13 1 of this subsection is equal to or greater than the amount  
14 determined pursuant to the provisions of paragraph 2 of this  
15 subsection, the Board shall make a finding that the revenue  
16 computations required by this section will authorize the  
17 implementation of the provisions of subparagraph (g) of paragraphs 1  
18 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma  
19 Statutes beginning on the January 1 immediately following the  
20 February meeting.

21 If the amount determined pursuant to the provisions of paragraph  
22 1 of this subsection is less than the amount determined pursuant to  
23 the provisions of paragraph 2 of this subsection, the Board shall  
24 make a finding that the revenue computations required by this

1 section do not authorize the implementation of the provisions of  
2 subparagraph (g) of paragraphs 1 and 2 of subsection C of Section  
3 2355 of Title 68 of the Oklahoma Statutes beginning with the January  
4 1 immediately following the February meeting.

5 D. If the Board makes a finding that the revenue computations  
6 required by this section do not authorize the implementation of the  
7 provisions of subparagraph (g) of paragraphs 1 and 2 of subsection C  
8 of Section 2355 of Title 68 of the Oklahoma Statutes beginning with  
9 calendar year 2016 pursuant to the provisions of subsection C of  
10 this section, the procedures prescribed by subsection A, subsection  
11 B, and subsection C of this section shall be repeated by the State  
12 Board of Equalization for each successive two-year comparison. Once  
13 the income tax rate otherwise authorized pursuant to subparagraph  
14 (g) of paragraphs 1 and 2 of subsection C of Section 2355 of Title  
15 68 of the Oklahoma Statutes has been implemented, such income tax  
16 rate shall be in effect for the tax years as prescribed by  
17 subparagraph (g) of paragraphs 1 and 2 of subsection C of Section  
18 2355 of Title 68 of the Oklahoma Statutes.

19 SECTION 5. It being immediately necessary for the preservation  
20 of the public peace, health and safety, an emergency is hereby  
21 declared to exist, by reason whereof this act shall take effect and  
22 be in full force from and after its passage and approval.

23  
24 54-2-2022

JCR

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