

FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2278
Page 5 Section 5 Lines 24 1/2
Of the printed Bill
Of the Engrossed Bill

By inserting a new Section 6 and a Section 7 to read as follows:

(SEE INSERT)

And by renumbering the subsequent section.

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Scott Biggs

Adopted: _____

Reading Clerk

1 "SECTION 6. AMENDATORY 68 O.S. 2011, Section 2355, as
2 last amended by Section 2, Chapter 195, O.S.L. 2014 (68 O.S. Supp.
3 2015, Section 2355), is amended to read as follows:

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

9 1. METHOD 1.

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

12 (1) 1/2% tax on first \$1,000.00 or part thereof,

13 (2) 1% tax on next \$1,500.00 or part thereof,

14 (3) 2% tax on next \$1,250.00 or part thereof,

15 (4) 3% tax on next \$1,150.00 or part thereof,

16 (5) 4% tax on next \$1,300.00 or part thereof,

17 (6) 5% tax on next \$1,500.00 or part thereof,

18 (7) 6% tax on next \$2,300.00 or part thereof, and

19 (8) (a) for taxable years beginning after December
20 31, 1998, and before January 1, 2002, 6.75%
21 tax on the remainder,

22 (b) for taxable years beginning on or after
23 January 1, 2002, and before January 1, 2004,
24 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.

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

- 3 (1) 1/2% tax on first \$1,000.00 or part thereof,
4 (2) 1% tax on next \$1,500.00 or part thereof,
5 (3) 2% tax on next \$1,250.00 or part thereof,
6 (4) 3% tax on next \$1,150.00 or part thereof,
7 (5) 4% tax on next \$1,200.00 or part thereof,
8 (6) 5% tax on next \$1,400.00 or part thereof,
9 (7) 6% tax on next \$1,500.00 or part thereof,
10 (8) 7% tax on next \$1,500.00 or part thereof,
11 (9) 8% tax on next \$2,000.00 or part thereof,
12 (10) 9% tax on next \$3,500.00 or part thereof, and
13 (11) 10% tax on the remainder.

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

- 20 (1) 1/2% tax on the first \$2,000.00 or part thereof,
21 (2) 1% tax on the next \$3,000.00 or part thereof,
22 (3) 2% tax on the next \$2,500.00 or part thereof,
23 (4) 3% tax on the next \$1,400.00 or part thereof,
24 (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 2355.1F and 5 2355.1G of this ~~act~~ title 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

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

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 next \$2,800.00 or part thereof,
19 (g) 5.50% tax on the remainder for the 2008 tax year and
20 any subsequent tax year unless the rate prescribed by
21 subparagraph (h) of this paragraph is in effect, and
22 (h) 5.25% tax on the remainder for the 2009 and subsequent
23 tax years. The decrease in the top marginal
24 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 2355.1F and 5 2355.1G of this ~~act~~ title is made by the
8 State Board of Equalization, a tax is hereby imposed upon the
9 Oklahoma taxable income of every resident or nonresident individual,
10 which tax shall 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 2355.1F of this ~~act~~ title or four and eighty-five
21 hundredths (4.85%) tax on the remainder if the State
22 Board of Equalization makes a determination pursuant
23 to Section 5 2355.1G of this ~~act~~ title.

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 2355.1F of this ~~act~~ title or four and eighty-five

14 hundredths percent (4.85%) tax on the remainder if the

15 State Board of Equalization makes a determination

16 pursuant to Section 5 2355.1G of this ~~act~~ title.

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

19 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
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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. 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. For purposes of this subsection, a
3 fantasy contest operator, as defined in the Oklahoma Fantasy
4 Contests Act, shall be considered to be deriving income from sources
5 within this state, with regard to entry fees collected from fantasy
6 contest players in this state.

7 There shall be no additional Oklahoma income tax imposed on
8 accumulated taxable income or on undistributed personal holding
9 company income as those terms are defined in the Internal Revenue
10 Code.

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

19 Every payer of amounts covered by this subsection shall deduct
20 and withhold from such amounts paid each payee an amount equal to
21 six percent (6%) thereof. Every payer required to deduct and
22 withhold taxes under this subsection shall for each quarterly period
23 on or before the last day of the month following the close of each
24 such quarterly period, pay over the amount so withheld as taxes to

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

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

19 H. Tax rate tables. For all taxable years beginning after
20 December 31, 1991, in lieu of the tax imposed by subsection A, B or
21 C of this section, as applicable there is hereby imposed for each
22 taxable year on the taxable income of every individual, whose
23 taxable income for such taxable year does not exceed the ceiling
24 amount, a tax determined under tables, applicable to such taxable

1 year which shall be prescribed by the Tax Commission and which shall
2 be in such form as it determines appropriate. In the table so
3 prescribed, the amounts of the tax shall be computed on the basis of
4 the rates prescribed by subsection A, B or C of this section. For
5 purposes of this subsection, the term "ceiling amount" means, with
6 respect to any taxpayer, the amount determined by the Tax Commission
7 for the tax rate category in which such taxpayer falls.

8 SECTION 7. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 2352.1A of Title 68, unless
10 there is created a duplication in numbering, reads as follows:

11 For the calendar year beginning January 1, 2017, revenue
12 collected pursuant to the provisions of subsection E of Section 2355
13 of this title, related to fantasy contest operators deriving income
14 from sources within this state, shall be deposited in the Oklahoma
15 Education Lottery Trust Fund created in Section 713 of Title 3A of
16 the Oklahoma Statutes."

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