

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 155

By: Dugger

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5  
6 AS INTRODUCED

7 An Act relating to income tax rates; amending Section  
8 5, Chapter 195, O.S.L. 2014 (68 O.S. Supp. 2016,  
9 Section 2355.1G), which relates to changes in the  
10 individual top marginal income tax rate; providing  
exception to implementation of certain top marginal  
rate subject to revenue failure declaration; and  
declaring an emergency.

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

14 SECTION 1. AMENDATORY Section 5, Chapter 195, O.S.L.  
15 2014 (68 O.S. Supp. 2016, Section 2355.1G), is amended to read as  
16 follows:

17 Section 2355.1G. A. The provisions of this section shall be  
18 applicable with respect to the implementation of the four and  
19 eighty-five hundredths percent (4.85%) top marginal rate of  
20 individual income tax otherwise authorized pursuant to the  
21 provisions of subparagraph (f) of paragraphs 1 and 2 of subsection C  
22 of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title,  
23 which shall be contingent upon a determination by the State Board of  
24 Equalization made by a comparison of the revenue computations

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

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

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

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

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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~~ this title becomes  
7 effective, and for any subsequent February meeting of the State  
8 Board of Equalization, if the four and eighty-five hundredths  
9 percent (4.85%) top marginal income tax rate prescribed by  
10 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section  
11 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title has not become  
12 effective, the State Board of 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 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~~ this title beginning on the January 1  
7 immediately following the February meeting. Provided, a finding by  
8 the Board at its February meeting to authorize the implementation of  
9 the four and eighty-five hundredths percent (4.85%) top marginal  
10 income tax rate shall be void and the rate unenforceable if a  
11 revenue failure is declared pursuant to paragraph 7 of Section 23 of  
12 Article X of the Oklahoma Constitution during the then-current  
13 fiscal year or the fiscal year which begins on the next ensuing July  
14 1.

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

1 D. If the Board makes a finding that the revenue computations  
2 required by this section do not authorize the implementation of the  
3 four and eighty-five hundredths percent (4.85%) top marginal income  
4 tax rate pursuant to subparagraph (f) of paragraphs 1 and 2 of  
5 subsection C of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~  
6 this title beginning with calendar year 2018 pursuant to the  
7 provisions of subsection C of this section, the procedures  
8 prescribed by subsection A, subsection B, and subsection C of this  
9 section shall be repeated by the State Board of Equalization for  
10 each successive two-year comparison. Once the four and eighty-five  
11 hundredths percent (4.85%) top marginal income tax rate otherwise  
12 authorized pursuant to subparagraph (f) of paragraphs 1 and 2 of  
13 subsection C of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~  
14 this title has been implemented, such income tax rate shall be in  
15 effect for all subsequent tax years.

16 SECTION 2. It being immediately necessary for the preservation  
17 of the public peace, health or safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.

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21 56-1-156 JCR 1/12/2017 11:52:30 AM

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