

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

SENATE BILL 155

By: Dugger

AS INTRODUCED

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

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

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

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