

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2209

By: McEntire

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; requiring
8 analysis of incidence of certain taxes; requiring
9 analysis of certain legislative measures by the
10 Oklahoma Tax Commission; prescribing tax types;
prescribing methods for analysis; imposing
requirements for reports; providing for codification;
and providing an effective date.

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 291 of Title 68, unless there is
16 created a duplication in numbering, reads as follows:

17 A. The Oklahoma Tax Commission shall report to the legislature
18 by March 1 of each odd-numbered year on the overall incidence of the
19 income tax and sales and other excise taxes. The report shall
20 present information on the distribution of the tax burden as
21 follows: (1) for the overall income distribution, using a systemwide
22 incidence measure, such as the Suits index or other appropriate
23 measures of equality and inequality; (2) by income classes,

1 including at a minimum, deciles of the income distribution; and (3)
2 by other appropriate taxpayer characteristics.

3 B. At the request of the Chair of the Finance Subcommittee of
4 the House Appropriations and Budget Committee or the Senate Finance
5 Committee, the Oklahoma Tax Commission shall prepare an incidence
6 impact analysis of a bill or a proposal to change the tax system
7 which increases, decreases, or redistributes taxes by more than
8 Twenty Million Dollars (\$20,000,000.00). To the extent data is
9 available on the changes in the distribution of the tax burden that
10 are affected by the bill or proposal, the analysis shall report on
11 the incidence effects that would result if the bill were enacted.
12 The report may present information using systemwide measures, such
13 as the Suits or other similar indexes, by income classes, taxpayer
14 characteristics or other relevant categories. The report may
15 include analyses of the effect of the bill or proposal on
16 representative taxpayers. The analysis must include a statement of
17 the incidence assumptions that were used in computing the burdens.

18 C. The incidence analyses shall use the broadest measure of
19 economic income for which reliable data is available.

20 SECTION 2. This act shall become effective November 1, 2017.

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