

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL 396

By: Dahm

AS INTRODUCED

An Act relating to public finance; establishing procedures for State Board of Equalization for specified purpose; requiring specific determination at certain meetings; requiring certain Board action with respect to revenue; providing for transfer of certain amounts to specified fund; requiring certain determination and recommendation; defining term; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.87.1 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. In order to ensure that the savings from legislatively-enacted measures to reduce or eliminate the revenue impact of tax preferences are used to fund common education and lower the corporate income tax, the following procedures shall be observed:

1. At its meeting in June of 2019, and June of each subsequent year, held pursuant to the provisions of paragraph 2 of Section 23 of Article X of the Oklahoma Constitution, the State Board of

1 Equalization shall determine the total amount of additional revenue
2 that will accrue specifically as the result of measures to reduce or
3 eliminate tax preferences;

4 2. Fifty percent (50%) of the amount determined pursuant to
5 paragraph 1 of this section shall be subtracted from the amount it
6 certifies as available for appropriation from the General Revenue
7 Fund by the Legislature for the fiscal year which begins on July 1
8 of the subsequent calendar year;

9 3. Notwithstanding any other provisions of law directing the
10 apportionment of revenues, for the fiscal year beginning July 1,
11 2020, and for each subsequent fiscal year, the amount determined
12 pursuant to paragraph 2 of this section shall be allocated by the
13 Director of the Office of Management and Enterprise Services to the
14 credit of the Education Reform Revolving Fund, created pursuant to
15 Section 34.89 of Title 62 of the Oklahoma Statutes; and

16 4. The Board shall determine the amount by which the corporate
17 income tax rate, levied pursuant to subsections E and F of Section
18 2355 of Title 68 of the Oklahoma Statutes, may be reduced in future
19 tax years by applying an amount of revenue equivalent to fifty
20 percent (50%) of the amount determined pursuant to paragraph 1 of
21 this section. The calculation of an equivalent reduction in the tax
22 rate shall be recommended by the Board to the Oklahoma Legislature.
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1 B. For purposes of this section, "tax preferences" shall mean
2 an exemption, deduction, credit, rebate or other statutory or
3 constitutional provision to provide relief from state-levied tax.

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

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