

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL NO. 676

By: Montgomery

AS INTRODUCED

An Act relating to income tax; amending 68 O.S. 2011, Section 2352, as last amended by Section 5, Chapter 337, O.S.L. 2016 (68 O.S. Supp. 2018, Section 2352), which relates to apportionment; modifying apportionment; deleting obsolete language; clarifying language; and providing effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2352, as last amended by Section 5, Chapter 337, O.S.L. 2016 (68 O.S. Supp. 2018, Section 2352), is amended to read as follows:

Section 2352. It is hereby declared to be the purpose of Section 2351 et seq. of this title to provide revenue for general governmental functions of state government; and, for that purpose and to that end, it is expressly declared that the revenue derived herefrom and penalties and interest thereon, subject to the apportionment requirements for the Rebuilding Oklahoma Access and Driver Safety Fund, the Oklahoma Tourism and Passenger Rail Revolving Fund and the Public Transit Revolving Fund to be derived from income tax revenue that would otherwise be apportioned to the

1 General Revenue Fund as provided by Section 1521 of Title 69 of the
2 Oklahoma Statutes, subject to the apportionment requirements for the
3 Oklahoma Tax Commission and Office of Management and Enterprise
4 Services Joint Computer Enhancement Fund provided by Section 265 of
5 this title, and subject to the apportionment requirements for the
6 Oklahoma State Capitol Building Repair and Restoration Fund provided
7 by Section 19 of Title 73 of the Oklahoma Statutes, shall be
8 distributed as follows:

9 1. For the fiscal year beginning ~~July 1, 2002, the first Five~~
10 ~~Million Eight Hundred Thousand Dollars (\$5,800,000.00) of July 1,~~
11 2020, and for each fiscal year thereafter, the revenue derived
12 pursuant to the provisions of subsections A, B and E of Section 2355
13 of this title shall be apportioned ~~to the Education Reform Revolving~~
14 ~~Fund. The remainder of such revenue for the fiscal year beginning~~
15 ~~July 1, 2002, and all such revenue for each fiscal year thereafter~~
16 ~~shall be apportioned~~ monthly as follows:

17 a. (1) ~~the following amounts~~ eighty-five and sixteen one
18 hundredths percent (85.16%) shall be paid to the
19 State Treasurer to be placed to the credit of the
20 General Revenue Fund of the state for such fiscal
21 year for the support of the state government to
22 be paid out only pursuant to appropriation by the
23 Legislature+.

24 ~~Fiscal Year~~ Amount

~~FY 2003 and FY 2004~~ ~~87.12%~~

~~FY 2005~~ ~~86.91%~~

~~FY 2006~~ ~~86.66%~~

~~FY 2007~~ ~~86.16%~~

~~FY 2008 and each fiscal~~

~~year thereafter~~ ~~85.66%~~

(2) in the event that additional monies are necessary pursuant to paragraph 3 of this section, such additional monies shall be deducted in the proportion determined by the State Board of Equalization pursuant to paragraph 3 of Section 2355.1B of this title from the monies apportioned to the General Revenue Fund,

b. ~~for FY 2003 and each fiscal year thereafter,~~ eight and thirty-four one-hundredths percent (8.34%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund,

c. ~~the following amounts~~ five percent (5%) shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund~~+,~~

~~Fiscal Year~~ ~~Amount~~

~~FY 2003 and FY 2004~~ ~~3.54%~~

~~FY 2005~~ ~~3.75%~~

~~FY 2006~~ ~~4.0%~~

~~FY 2007~~ ~~4.5%~~

~~FY 2008 and each fiscal~~

~~year thereafter~~ ~~5.0%~~

- d. ~~for FY 2003 and each fiscal year thereafter, one~~
~~percent (1%)~~ one and one-half percent (1.5%) shall be
placed to the credit of the Ad Valorem Reimbursement
Fund;

2. Beginning July 1, 2003, for any period of time as certified
by the Oklahoma Development Finance Authority and the Oklahoma
Department of Commerce to be necessary for the repayment of
obligations issued by the Oklahoma Development Finance Authority
pursuant to Section 3654 of this title if the other sources of
revenue paid to or apportioned to the Quality Jobs Program Incentive
Leverage Fund are not adequate, including the proceeds from payment
pursuant to the guaranty required by subsection M of Section 3654 of
this title, an amount certified by the Oklahoma Development Finance
Authority to the Oklahoma Tax Commission shall be apportioned to the
Quality Jobs Program Incentive Leverage Fund before any other
apportionments are made as otherwise authorized by this paragraph.
The Oklahoma Development Finance Authority shall certify to the
Oklahoma Tax Commission the time as of which the revenue authorized
for apportionment pursuant to this paragraph is no longer required.
After the certification, the revenue derived from the income tax

1 shall be apportioned in the manner otherwise provided by this
2 section. ~~Except as otherwise provided by this paragraph, for the~~
3 ~~fiscal year beginning July 1, 2002, the first Forty-One Million One~~
4 ~~Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of~~
5 Beginning for the fiscal year July 1, 2020, and for each fiscal year
6 thereafter, the revenue derived pursuant to the provisions of
7 subsections D and E of Section 2355 of this title ~~shall be~~
8 ~~apportioned to the Education Reform Revolving Fund. The remainder~~
9 ~~of such revenue for the fiscal year beginning July 1, 2002, and all~~
10 ~~such revenue for each fiscal year thereafter,~~ subject to the
11 apportionment requirements for the Oklahoma Tax Commission and
12 Office of Management and Enterprise Services Joint Computer
13 Enhancement Fund provided by Section 265 of this title, shall be
14 apportioned monthly as follows:

15 a. ~~the following amounts~~

16 (1) seventy-seven percent (77.0%) shall be paid to
17 the State Treasurer to be placed to the credit of
18 the General Revenue Fund of the state for such
19 fiscal year for the support of the state
20 government to be paid out only pursuant to
21 appropriation by the Legislature;

22	Fiscal Year	Amount
23	FY 2003 and FY 2004	78.96%
24	FY 2005	78.75%

1 ~~FY 2006~~ _____ ~~78.50%~~

2 ~~FY 2007~~ _____ ~~78.0%~~

3 ~~(1) FY 2018 and each fiscal~~

4 ~~year thereafter~~ until the

5 apportionment to the

6 General Revenue Fund

7 equals the moving five-

8 year average amount for

9 corporate income tax as

10 prescribed by paragraph 4

11 of this section ~~77.50%~~,

12 (2) there shall be apportioned from the tax

13 levy imposed on corporate income tax to

14 the Revenue Stabilization Fund created by

15 ~~Section 1 of this act~~ Section 34.102 of

16 Title 62 of the Oklahoma Statutes, or to

17 the Constitutional Reserve Fund, as

18 provided by ~~Section 1 of this act~~ Section

19 34.103 of Title 62 of the Oklahoma

20 Statutes, the amount of revenue, if any,

21 which exceeds the moving five-year

22 average amount as defined pursuant to

23 paragraph 4 of this section,

b. ~~for FY 2003 and each fiscal year thereafter,~~ sixteen and five-tenths percent (16.5%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education,

c. ~~the following amounts~~ five percent (5%) shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund~~;~~,

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal	
year thereafter	5.0%

d. ~~for FY 2003 and each fiscal year thereafter, one percent (1%)~~ one and one-half percent (1.5%) shall be placed to the credit of the Ad Valorem Reimbursement Fund;

3. During the first fiscal year after the State Board of Equalization has made a determination as provided in Section 2355.1B of this title, regarding a baseline amount of revenue apportioned pursuant to subparagraph c of paragraph 1 of this section, and for

1 each fiscal year thereafter, in no event shall monies apportioned
2 pursuant to subparagraph c of paragraph 1 of this section, paragraph
3 3 of Section 1353 of this title and paragraph 3 of Section 1403 of
4 this title be less than such baseline amount; and

5 4. "Moving five-year average for corporate income tax" means,
6 for purposes of the apportionments prescribed by this section, the
7 amount of income tax on corporations, as determined by the State
8 Board of Equalization in the manner prescribed by ~~Section 2 of this~~
9 ~~act~~ Section 34.103 of Title 62 of the Oklahoma Statutes.

10 SECTION 2. This act shall become effective November 1, 2019.

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