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March 3, 2022

SENATE BILL NO. 1481

By: Montgomery and Treat of the  
Senate

and

Kendrix of the House

[ Franchise Tax Code - levy of tax after certain year  
- annual statement requirement - effective date ]

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 1203, is amended to read as follows:

Section 1203. ~~There~~ For tax year 2022 and previous tax years,  
there is hereby levied and assessed a franchise or excise tax upon  
every corporation, association, joint-stock company and business  
trust organized under the laws of this state, equal to One Dollar  
and twenty-five cents (\$1.25) for each One Thousand Dollars  
(\$1,000.00) or fraction thereof of the amount of capital used,  
invested or employed in the exercise of any power, privilege or  
right inuring to such organization, within this state; it being the  
purpose of this section to require the payment to ~~the State of~~

1 ~~Oklahoma~~ this state this tax for the right granted by the laws of  
2 this state to exist as such organization and enjoy, under the  
3 protection of the laws of this state, the powers, rights, privileges  
4 and immunities derived from the state by reason of the form of such  
5 existence.

6 SECTION 2. AMENDATORY 68 O.S. 2021, Section 1204, is  
7 amended to read as follows:

8 Section 1204. ~~There~~ For tax year 2022 and previous tax years,  
9 there is hereby levied and assessed upon every corporation,  
10 association, joint-stock company and business trust, organized and  
11 existing by virtue of the laws of some other state, territory or  
12 country, now or hereafter doing business in this state, as  
13 hereinbefore defined, a franchise or excise tax equal to One Dollar  
14 and twenty-five cents (\$1.25) for each One Thousand Dollars  
15 (\$1,000.00) or fraction thereof of the amount of capital used,  
16 invested or employed within this state; it being the purpose of this  
17 section to require the payment of a tax by all organizations not  
18 organized under the laws of this state, measured by the amount of  
19 capital, or its equivalent, used, invested or employed in this state  
20 for which such organization receives the benefit and protection of  
21 the government and laws of the state.

22 SECTION 3. AMENDATORY 68 O.S. 2021, Section 1210, is  
23 amended to read as follows:

24

1       Section 1210. A. In addition to any other statement required  
2 by law, for tax year 2022 and previous tax years, each and every  
3 corporation, association or organization, as enumerated in Sections  
4 1201, 1203, and 1204 of this title, subject to the provisions of  
5 Section 1201 et seq. of this title, either during the period of July  
6 1 to August 31, inclusive, of each year, or not later than June 1  
7 for taxpayers that remitted the maximum amount of tax pursuant to  
8 Section 1205 of this title for the preceding tax year, or, except  
9 for taxpayers that remitted the maximum amount of tax pursuant to  
10 Section 1205 of this title for the preceding tax year, on or before  
11 the date by which an income tax return is required to be filed  
12 pursuant to the provisions of subsection G of Section 2368 of this  
13 title or pursuant to the provisions of Section 216 of this title,  
14 based upon the election by the taxpayer regarding the due date for  
15 payment of tax, shall file with the Oklahoma Tax Commission a  
16 statement under oath of its president, secretary or managing  
17 officer, or managing agent in this state. The statement shall be in  
18 such form as the Tax Commission shall prescribe, including balance  
19 sheets as at the close of its last preceding taxable year for which  
20 an income tax return was required to be filed, showing the  
21 following:

22       1. The amount of its authorized capital stock, interests,  
23 certificates, or other evidence of interest or ownership;

24       2. The amount thereof then paid up;

1        3. The number of units into which the same is divided;

2        4. The par value of each unit and the number of such units  
3 issued and outstanding;

4        5. The location of the office or offices;

5        6. The value of all property owned or used in its business and  
6 wherever located;

7        7. The value of all property owned or used in its business  
8 within this state as it existed on the last day of the tax year;

9        8. The total amount of all business wherever transacted during  
10 the tax year;

11       9. The total amount of business transacted within ~~the State of~~  
12 ~~Oklahoma~~ this state during such year; and

13       10. The names of its officers and the residence and post office  
14 address of each as the same appear of record on the last day of the  
15 tax year, based upon the election by the taxpayer regarding the due  
16 date for payment of tax.

17       B. If any corporation, association or organization making a  
18 return under the provisions of Section 1201 et seq. of this title  
19 has no authorized capital, or if any of its shares of stock or other  
20 evidences of interest or ownership have no par value, then such  
21 corporation, association or organization shall so state in its  
22 return, and shall, in addition thereto, state the book value of its  
23 shares of stock or other evidences of interest or ownership. It  
24 shall also, in making its return, make the showing required of all

1 other corporations, associations and organizations, and each foreign  
2 corporation shall state the name of its registered agent residing at  
3 the capital of the state. The return shall be in such form as the  
4 Tax Commission shall prescribe.

5 C. A corporation or organization subject to the tax levied by  
6 Section 1203 or Section 1204 of this title for which the computation  
7 of capital employed in the state equals or exceeds Sixteen Million  
8 Dollars (\$16,000,000.00), shall file a maximum franchise tax return  
9 on such form as may be prescribed by the Oklahoma Tax Commission.

10 D. The Tax Commission shall prescribe a form for use by  
11 corporations or organizations subject to the maximum tax imposed by  
12 Section 1205 of this title in order for such corporations or  
13 organizations to determine if the value of capital employed in this  
14 state requires filing a maximum franchise tax return. The Tax  
15 Commission shall also prescribe a form for use by corporations or  
16 organizations exempt from the tax imposed by Sections 1203 and 1204  
17 of this title pursuant to Section 1205 of this title. Such form  
18 shall include the names of the officers of the corporation or  
19 organization and the residence and post office address of each as  
20 the same appears of record on the last day of the tax year and a  
21 statement attesting that no tax is due for the taxable period. If a  
22 corporation or organization is required to file the maximum  
23 franchise tax return or is exempt from the tax imposed by Sections  
24 1203 and 1204 of this title pursuant to Section 1205 of this title,

1 such return shall not be subject to the requirements of subsection A  
2 of this section and the return shall only contain such information  
3 as may be prescribed by the Commission. The return shall be in such  
4 form as the Tax Commission shall prescribe.

5 SECTION 4. This act shall become effective November 1, 2022.

6 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
7 March 3, 2022 - DO PASS. Title stricken by Committee on Finance.  
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