

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 HOUSE BILL 3687

By: McDugle and Manger

6 AS INTRODUCED

7 An Act relating to revenue and taxation; creating a  
8 credit for retired military personnel; defining  
9 terms; authorizing credit for nonmilitary income;  
10 authorizing credit for security clearance; limiting  
11 application of credit; authorizing Oklahoma Tax  
12 Commission to promulgate rules; providing for  
13 codification; and providing an effective date.

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 2358.8 of Title 68, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. As used in this section:

18 1. "Nonmilitary income" shall mean income received by retired  
19 military personnel from nonmilitary employment. It shall not mean  
20 income received as military retirement benefits;

21 2. "Retired military personnel" shall mean an individual retired  
22 from any component of the Armed Forces of the United States, a  
23 reserve of any component of the Armed Forces of the United States,  
24 or the National Guard; and

1        3. "Security clearance" shall mean a current and final clearance  
2 of either secret or top secret from the United States.

3        B. For taxable years beginning after December 31, 2022, there  
4 shall be allowed a credit against the tax imposed pursuant to  
5 Section 2355 of Title 68 of the Oklahoma Statutes in the amount of  
6 Two Thousand Five Hundred Dollars (\$2,500.00) for retired military  
7 personnel who have taxable nonmilitary income.

8        C. For taxable years beginning after December 31, 2022, there  
9 shall be allowed a credit against the tax imposed pursuant to  
10 Section 2355 of Title 68 of the Oklahoma Statutes in the amount of  
11 Two Thousand Five Hundred Dollars (\$2,500.00) for taxpayers who have  
12 served in the military or who are retired military personnel:

13        1. Who have a security clearance; and

14        2. Who are employed in a position that requires a security  
15 clearance.

16        D. The credit authorized pursuant to the provisions of this  
17 section may not be used to reduce the tax liability of the taxpayer  
18 to less than zero (0). The credit shall not be carried over.

19        E. The Oklahoma Tax Commission shall promulgate rules necessary  
20 to implement and administer the credit authorized in this section.

21        SECTION 2. This act shall become effective January 1, 2023.

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23        58-2-8494            AQH            12/06/21  
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