

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1071

By: Calvey

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; stating
8 purpose; imposing additional tax levy upon
9 cigarettes; specifying amount of additional levy;
10 providing for apportionment of revenues; exempting
11 levy from inclusion in determination of certain
12 amounts; requiring certain collections and
13 administration of levy; prohibiting sale of cigarette
14 excise tax stamps to wholesalers in excess of certain
15 amount; providing exception; amending 68 O.S. 2011,
16 Section 2357, as last amended by Section 1, Chapter
17 147, O.S.L. 2015 (68 O.S. Supp. 2017, Section 2357),
18 which relates to child tax credits; modifying credit
19 amount; disallowing credit based on certain Medicaid
20 payments; providing for codification; and providing
21 for noncodification.

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

25 SECTION 1. NEW LAW A new section of law to be codified
26 in the Oklahoma Statutes as Section 302-7 of Title 68, unless there
27 is created a duplication in numbering, reads as follows:

28 A. For the purpose of providing revenue for the support of the
29 functions of state government, in addition to the tax levied in
30 Sections 302, 302-1, 302-2, 302-3, 302-4 and 302-5 of Title 68 of
31 the Oklahoma Statutes, there is hereby levied upon the sale, use,

1 gift, possession or consumption of cigarettes, as defined in
2 Sections 301 through 325 of Title 68 of the Oklahoma Statutes,
3 within this state, a tax at the rate of seventy-five (75) mills per
4 cigarette.

5 B. 1. Except as provided in paragraph 2 of this subsection,
6 the revenue resulting from the additional tax levied in subsection A
7 of this section shall be apportioned as provided in paragraph 3 of
8 this subsection.

9 2. The net amount of any revenue resulting from a payment in
10 lieu of excise taxes on cigarettes levied by this section, which net
11 amount shall be calculated after deductions for rebates owed
12 pursuant to a compact with a federally recognized Indian tribe or
13 nation, shall be apportioned as provided in paragraph 3 of this
14 subsection.

15 3. The resulting revenues as described by paragraphs 1 and 2 of
16 this subsection shall be apportioned by the Oklahoma Tax Commission
17 and transmitted to the State Treasurer who shall deposit such
18 revenue in the General Revenue Fund.

19 C. No part of the revenues resulting from the additional taxes
20 levied in this section shall be used in determining the amount of
21 cigarette tax collections to be paid into:

22 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund
23 pursuant to the provisions of Sections 57.31 through 57.43 of Title
24 62 of the Oklahoma Statutes;

1 2. The State of Oklahoma Institutional Building Bonds of 1965
2 Sinking Fund pursuant to the provisions of Sections 57.61 through
3 57.73 of Title 62 of the Oklahoma Statutes;

4 3. The State of Oklahoma Institutional Building Bonds of 1965
5 Sinking Fund Series C and Series D pursuant to the provisions of
6 Sections 57.81 through 57.112 of Title 62 of the Oklahoma Statutes;

7 4. The State of Oklahoma Building Bonds of 1968 Sinking Fund
8 pursuant to the provisions of Sections 57.121 through 57.193 of
9 Title 62 of the Oklahoma Statutes; or

10 5. The Oklahoma Building Bonds of 1992 Sinking Fund pursuant to
11 the provisions of Sections 57.300 through 57.313 of Title 62 of the
12 Oklahoma Statutes.

13 D. The cigarette taxes levied in this section shall be
14 collected and administered as provided by law for other cigarette
15 taxes now levied, collected and administered pursuant to the
16 provisions of Sections 301 through 325 of Title 68 of the Oklahoma
17 Statutes.

18 SECTION 2. NEW LAW A new section of law not to be
19 codified in the Oklahoma Statutes reads as follows:

20 The Oklahoma Tax Commission shall not sell cigarette excise tax
21 stamps to any wholesaler in excess of the amount of the monthly
22 average amount of such excise tax stamps sold to such wholesaler
23 during the preceding calendar year prior to the effective date of
24 Section 1 of this act. Provided, the wholesaler may purchase in

1 excess of the monthly average purchased during the preceding
2 calendar year upon documentation, to the Tax Commission's
3 satisfaction, of probable sales greater than the wholesaler's sales
4 in the preceding calendar year.

5 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2357, as
6 last amended by Section 1, Chapter 147, O.S.L. 2015 (68 O.S. Supp.
7 2017, Section 2357), is amended to read as follows:

8 Section 2357. A. The withheld taxes and estimated taxes paid
9 shall be allowed as credits as provided by law.

10 B. 1. There shall be allowed as a credit against the tax
11 imposed by Section 2355 of this title the amount of tax paid another
12 state by a resident individual, as defined in paragraph 4 of Section
13 2353 of this title, upon income received as compensation for
14 personal services in such other state; provided, such credit shall
15 not be allowed with respect to any income specified in Section 114
16 of Title 4 of the United States Code, 4 U.S.C., Section 114, upon
17 which a state is prohibited from imposing an income tax. The credit
18 shall not exceed such proportion of the tax payable under Section
19 2355 of this title as the compensation for personal services subject
20 to tax in the other state and also taxable under Section 2355 of
21 this title bears to the Oklahoma adjusted gross income as defined in
22 paragraph 13 of Section 2353 of this title.

23 2. For tax years beginning after December 31, 2007, there shall
24 be allowed to a resident individual or part-year resident individual

1 or nonresident individual member of the Armed Forces as a credit
2 against the tax imposed by Section 2355 of this title twenty percent
3 (20%) of the credit for child care expenses allowed under the
4 Internal Revenue Code of the United States or ~~five percent (5%) of~~
5 ~~the a child tax credit allowed under the Internal Revenue Code in~~
6 the amount of Two Hundred Twenty Dollars (\$220.00), except that no
7 child tax credit shall be allowed with respect to a child residing
8 in a household in which one or more children residing in the
9 household are in receipt of payments from the Medicaid program
10 during the same tax year for which the child tax credit would
11 otherwise be allowable, whichever amount is greater. Neither credit
12 authorized by this paragraph shall exceed the tax imposed by Section
13 2355 of this title. The maximum child care credit allowable on the
14 Oklahoma income tax return shall be prorated on the ratio that
15 Oklahoma adjusted gross income bears to the federal adjusted gross
16 income. The credit authorized by this paragraph shall not be
17 claimed by any taxpayer if the federal adjusted gross income
18 reflected on the Oklahoma return for the taxpayer is in excess of
19 One Hundred Thousand Dollars (\$100,000.00).

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21 56-1EX-50094 MAH 09/24/17

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