

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1649

By: Montgomery

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5  
6 AS INTRODUCED

7 An Act relating to income tax; amending Section 5,  
8 Chapter 195, O.S.L. 2014 (68 O.S. Supp. 2016, Section  
9 2355.1G), which relates to implementation of 4.85  
10 percent top marginal rate; modifying certain  
11 determinations; requiring additional determinations;  
12 making implementation of certain rate dependent on  
13 certain additional determination; and providing an  
14 effective date.

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

16 SECTION 1. AMENDATORY Section 5, Chapter 195, O.S.L.  
17 2014 (68 O.S. Supp. 2016, Section 2355.1G), is amended to read as  
18 follows:

19 Section 2355.1G A. The provisions of this section shall be  
20 applicable with respect to the implementation of the four and  
21 eighty-five hundredths percent (4.85%) top marginal rate of  
22 individual income tax otherwise authorized pursuant to the  
23 provisions of subparagraph (f) of paragraphs 1 and 2 of subsection C  
24 of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title,  
which shall be contingent upon a determination by the State Board of  
Equalization made by a comparison of the revenue computations

1 described by this section which shall be conducted until the income  
2 tax rate of four and eighty-five hundredths percent (4.85%) is  
3 effective.

4 B. In addition to any other duties prescribed by law, at the  
5 meeting required by paragraph 1 of Section 23 of Article X of the  
6 Oklahoma Constitution to be held in December of the year in which  
7 the five percent (5%) top marginal income tax rate prescribed by  
8 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section  
9 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title becomes  
10 effective, and for any subsequent December meeting of the State  
11 Board of Equalization, if the four and eighty-five hundredths  
12 percent (4.85%) top marginal income tax rate prescribed by  
13 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section  
14 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title has not become  
15 effective, the State Board of Equalization shall determine:

16 1. The amount of estimated revenue growth in the General  
17 Revenue Fund of the State Treasury for the fiscal year beginning on  
18 the next ensuing July 1; ~~and~~

19 2. ~~The~~ An amount including:

20 a. the amount by which the income tax revenue for the tax  
21 year which will begin on the second January 1  
22 following such December meeting is estimated to be  
23 reduced by a fifteen hundredths percent (0.15%)  
24 decrease in the top marginal income tax rate, in order

1 for a top marginal income tax rate of four and eighty-  
2 five hundredths percent (4.85%) to be effective, and

3 b. the lesser of either:

4 (1) three percent (3%) of the General Revenue Fund  
5 certification amount for the fiscal year in which  
6 the State Board of Equalization is meeting, or

7 (2) three percent (3%) of the revised General Revenue  
8 Fund estimate being utilized by the Director of  
9 the Office of Management and Enterprise Services  
10 for purposes of making General Revenue Fund  
11 allotments during a revenue failure as provided  
12 for in subsection F of Section 34.49 of Title 62  
13 of the Oklahoma Statutes, at the time the State  
14 Board of Equalization is meeting; and

15 3. The state personal income growth as measured by the United  
16 States Bureau of Economic Analysis for the most recent available  
17 year.

18 If the amount determined pursuant to the provisions of paragraph  
19 1 of this subsection is equal to or greater than the amount  
20 determined pursuant to the provisions of paragraph 2 of this  
21 subsection, and the Board determines, pursuant to the provisions of  
22 paragraph 3 of this subsection, the state personal income growth as  
23 measured by the United States Bureau of Economic Analysis for the  
24 most recent available year grew by a rate greater than or equal to

1 three percent (3%), the Board shall make a preliminary finding that  
2 the Board anticipates that a finding will be made at the February  
3 meeting immediately subsequent to the December meeting that the  
4 revenue computations required by this section will authorize the  
5 implementation of the four and eighty-five hundredths percent  
6 (4.85%) top marginal rate pursuant to subparagraph (f) of paragraphs  
7 1 and 2 of subsection C of Section 2355 of ~~Title 68 of the Oklahoma~~  
8 ~~Statutes~~ this title beginning on the second January 1 following the  
9 December meeting.

10 If the amount determined pursuant to the provisions of paragraph  
11 1 of this subsection is less than the amount determined pursuant to  
12 the provisions of paragraph 2 of this subsection, or the Board  
13 determines, pursuant to the provisions of paragraph 3 of this  
14 subsection, the state personal income growth as measured by the  
15 United States Bureau of Economic Analysis for the most recent  
16 available year grew by a rate less than three percent (3%), the  
17 Board shall make a preliminary finding that the Board anticipates  
18 that a finding will be made at the February meeting immediately  
19 subsequent to the December meeting that the revenue computations  
20 required by this section will not authorize the implementation of  
21 the four and eighty-five hundredths percent (4.85%) top marginal  
22 income tax rate subparagraph (f) of paragraphs 1 and 2 of subsection  
23 C of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title  
24 beginning on the second January 1 following the December meeting.

1 C. In addition to any other duties prescribed by law, at the  
2 meeting required by paragraph 3 of Section 23 of Article X of the  
3 Oklahoma Constitution to be held in February following the year in  
4 which the five percent (5%) top marginal income tax rate prescribed  
5 by subparagraph (f) of paragraphs 1 and 2 of subsection C of Section  
6 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title becomes  
7 effective, and for any subsequent February meeting of the State  
8 Board of Equalization, if the four and eighty-five hundredths  
9 percent (4.85%) top marginal income tax rate prescribed by  
10 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section  
11 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title has not become  
12 effective, the State Board of Equalization shall determine:

13 1. The amount of estimated revenue growth in the General  
14 Revenue Fund of the State Treasury for the fiscal year beginning on  
15 the next ensuing July 1; ~~and~~

16 2. ~~The~~ An amount including:

17 a. the amount by which the income tax revenue for the tax  
18 year which will begin on the January 1 immediately  
19 following the February meeting is estimated to be  
20 reduced by a fifteen hundredths percent (.15%)  
21 decrease in the top marginal income tax rate, in order  
22 for a top marginal income tax rate of four and eighty-  
23 five hundredths percent (4.85%) to be effective, and

24 b. the lesser of either:

1           (1) three percent (3%) of the General Revenue Fund  
2           certification amount for the fiscal year in which  
3           the State Board of Equalization is meeting, or  
4           (2) three percent (3%) of the revised General Revenue  
5           Fund estimate being utilized by the Director of  
6           the Office of Management and Enterprise Services  
7           for purposes of making General Revenue Fund  
8           allotments during a revenue failure as provided  
9           for in subsection F of Section 34.49 of Title 62  
10           of the Oklahoma Statutes, at the time the State  
11           Board of Equalization is meeting; and

12           3. The state personal income growth as measured by the United  
13           States Bureau of Economic Analysis for the most recent available  
14           year.

15           If the amount determined pursuant to the provisions of paragraph  
16           1 of this subsection is equal to or greater than the amount  
17           determined pursuant to the provisions of paragraph 2 of this  
18           subsection, and the Board determines, pursuant to the provisions of  
19           paragraph 3 of this subsection, the state personal income growth as  
20           measured by the United States Bureau of Economic Analysis for the  
21           most recent available year grew by a rate greater than or equal to  
22           three percent (3%), the Board shall make a finding that the revenue  
23           computations required by this section will authorize the  
24           implementation of the four and eighty-five hundredths percent

1 (4.85%) top marginal income tax rate pursuant to subparagraph (f) of  
2 paragraphs 1 and 2 of subsection C of Section 2355 of ~~Title 68 of~~  
3 ~~the Oklahoma Statutes~~ this title beginning on the January 1  
4 immediately following the February meeting.

5 If the amount determined pursuant to the provisions of paragraph  
6 1 of this subsection is less than the amount determined pursuant to  
7 the provisions of paragraph 2 of this subsection, or the Board  
8 determines, pursuant to the provisions of paragraph 3 of this  
9 subsection, the state personal income growth as measured by the  
10 United States Bureau of Economic Analysis for the most recent  
11 available year grew by a rate less than three percent (3%), the  
12 Board shall make a finding that the revenue computations required by  
13 this section do not authorize the implementation of the four and  
14 eighty-five hundredths percent (4.85%) top marginal income tax rate  
15 pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C  
16 of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title  
17 beginning with the January 1 immediately following the February  
18 meeting.

19 D. If the Board makes a finding that the revenue computations  
20 required by this section do not authorize the implementation of the  
21 four and eighty-five hundredths percent (4.85%) top marginal income  
22 tax rate pursuant to subparagraph (f) of paragraphs 1 and 2 of  
23 subsection C of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~  
24 this title beginning with calendar year 2018 pursuant to the

1 provisions of subsection C of this section, the procedures  
2 prescribed by subsection A, subsection B, and subsection C of this  
3 section shall be repeated by the State Board of Equalization for  
4 each successive two-year comparison. Once the four and eighty-five  
5 hundredths percent (4.85%) top marginal income tax rate otherwise  
6 authorized pursuant to subparagraph (f) of paragraphs 1 and 2 of  
7 subsection C of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~  
8 this title has been implemented, such income tax rate shall be in  
9 effect for all subsequent tax years.

10 SECTION 2. This act shall become effective November 1, 2017.

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12 56-1-5158 JM 01/10/17

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