

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 2508

By: Fugate

4
5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 2352, which relates to
9 apportionment of income tax; providing for split
10 apportionment; providing for apportionment to County
11 Community Safety Investment Fund; providing for
12 apportionment to Rural Economic Action Plan
13 Supplemental Revenue Revolving Fund; providing for
14 maximum amount of revenue apportioned; providing for
15 apportionment of revenue in excess of maximum amount;
16 creating the Rural Economic Action Plan Supplemental
17 Income Revolving Fund; providing for apportionment of
18 revenues; providing purposes; prescribing method for
19 expenditures; providing for codification; providing
20 an effective date; and declaring an emergency.

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

22 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2352, is
23 amended to read as follows:

24 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

1 Driver Safety Fund, the Oklahoma Tourism and Passenger Rail
2 Revolving Fund, the Public Transit Revolving Fund and the Education
3 Reform Revolving Fund to be derived from income tax revenue that
4 would otherwise be apportioned to the General Revenue Fund as
5 provided by Section 1521 of Title 69 of the Oklahoma Statutes,
6 subject to the apportionment requirements for the Oklahoma Tax
7 Commission and Office of Management and Enterprise Services Joint
8 Computer Enhancement Fund provided by Section 265 of this title, and
9 subject to the apportionment requirements for the Oklahoma State
10 Capitol Building Repair and Restoration Fund provided by Section 19
11 of Title 73 of the Oklahoma Statutes, shall be distributed as
12 follows:

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

20 a. the following amounts shall be paid to the State
21 Treasurer to be placed to the credit of the General
22 Revenue Fund of the state for such fiscal year for the
23 support of the state government to be paid out only
24 pursuant to appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	87.12%
FY 2005	86.91%
FY 2006	86.66%
FY 2007	86.16%
FY 2008 through FY 2022	85.66%
FY 2023 through FY 2027	85.41%
FY 2028 and each fiscal year thereafter	85.66%

Of the funds apportioned to the General Revenue Fund pursuant to this subparagraph, until the expiration of the Filmed in Oklahoma Act of 2021 as provided in Section 11 of this act, Thirty Million Dollars (\$30,000,000.00) shall be transferred to the Oklahoma Tax Commission for deposit in the Filmed in Oklahoma Program Revolving Fund,

b. the following amounts 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:

- (1) for FY 2003 through FY 2020, eight and thirty-four one-hundredths percent (8.34%),
- (2) for FY 2021:
 - (a) for the month beginning July 1, 2020, through the month ending August 31, 2020,

1 eight and thirty-four one-hundredths percent
2 (8.34%), and

3 (b) for the month beginning September 1, 2020,
4 through the month ending June 30, 2021, nine
5 and eighty-four one-hundredths percent
6 (9.84%),

7 (3) for FY 2022 and each fiscal year thereafter,
8 eight and thirty-four one-hundredths percent
9 (8.34%) shall be paid to the State Treasurer to
10 be placed to the credit of the Education Reform
11 Revolving Fund,

12 c. the following amounts shall be paid to the State
13 Treasurer to be placed to the credit of the Teachers'
14 Retirement System Dedicated Revenue Revolving Fund:

15 Fiscal Year	Amount
16 FY 2003 and FY 2004	3.54%
17 FY 2005	3.75%
18 FY 2006	4.0%
19 FY 2007	4.5%
20 FY 2008 through FY 2020	5.0%
21 FY 2021:	

22 (1) for the month beginning
23 July 1, 2020, through
24

1	the month ending August	
2	31, 2020	5.0%
3	(2) for the month beginning	
4	September 1, 2020,	
5	through the month ending	
6	June 30, 2021	3.5%
7	FY 2022	5.0%
8	FY 2023 through FY 2027	5.25%
9	FY 2028 and each fiscal	
10	year thereafter	5.0%

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

14 2. Beginning July 1, 2003, for any period of time as certified
15 by the Oklahoma Development Finance Authority and the Oklahoma
16 Department of Commerce to be necessary for the repayment of
17 obligations issued by the Oklahoma Development Finance Authority
18 pursuant to Section 3654 of this title if the other sources of
19 revenue paid to or apportioned to the Quality Jobs Program Incentive
20 Leverage Fund are not adequate including the proceeds from payment
21 pursuant to the guaranty required by subsection M of Section 3654 of
22 this title, an amount certified by the Oklahoma Development Finance
23 Authority to the Oklahoma Tax Commission shall be apportioned to the
24 Quality Jobs Program Incentive Leverage Fund before any other

1 apportionments are made as otherwise authorized by this paragraph.
2 The Oklahoma Development Finance Authority shall certify to the
3 Oklahoma Tax Commission the time as of which the revenue authorized
4 for apportionment pursuant to this paragraph is no longer required.
5 After the certification, the revenue derived from the income tax
6 shall be apportioned in the manner otherwise provided by this
7 section. Except as otherwise provided by this paragraph, for the
8 fiscal year beginning July 1, 2002, the first Forty-one Million One
9 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of
10 revenue derived pursuant to the provisions of subsections D and E of
11 Section 2355 of this title shall be apportioned to the Education
12 Reform Revolving Fund. The remainder of such revenue for the fiscal
13 year beginning July 1, 2002, and all such revenue for each fiscal
14 year thereafter, subject to the apportionment requirements for the
15 Oklahoma Tax Commission and Office of Management and Enterprise
16 Services Joint Computer Enhancement Fund provided by Section 265 of
17 this title, shall be apportioned monthly as follows:

18 a. the following amounts shall be paid to the State
19 Treasurer to be placed to the credit of the General
20 Revenue Fund of the state for such fiscal year for the
21 support of the state government to be paid out only
22 pursuant to appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	78.96%

1	FY 2005	78.75%
2	FY 2006	78.50%
3	FY 2007	78.0%
4	(1) (a) FY 2018 through FY 2022	
5	until the apportionment to	
6	the General Revenue Fund	
7	equals the moving five-	
8	year average amount for	
9	corporate income tax as	
10	prescribed by paragraph 3	
11	of this section	77.50%
12	(b) FY 2023 through FY 2027	
13	until the apportionment to	
14	the General Revenue Fund	
15	equals the moving five-	
16	year average amount for	
17	corporate income tax as	
18	prescribed by paragraph 3	
19	of this section	77.25%
20	(c) FY 2028 and each fiscal	
21	year thereafter until the	
22	apportionment to the	
23	General Revenue Fund	
24	equals the moving five-	

1 year average amount for
2 corporate income tax as
3 prescribed by paragraph 3
4 of this section 77.50%

5 (2) there shall be apportioned from the tax levy
6 imposed on corporate income tax to the Revenue
7 Stabilization Fund created by Section 34.102 of
8 Title 62 of the Oklahoma Statutes, or to the
9 Constitutional Reserve Fund, as provided by
10 Section 34.102 of Title 62 of the Oklahoma
11 Statutes, the amount of revenue, if any, which
12 exceeds the moving five-year average amount as
13 defined pursuant to paragraph 3 of this section,

14 b. the following amounts shall be paid to the State
15 Treasurer to be placed to the credit of the Education
16 Reform Revolving Fund of the State Department of
17 Education:

18 (1) for FY 2003 through FY 2020, sixteen and five-
19 tenths percent (16.5%),

20 (2) for FY 2021:

21 (a) for the month beginning July 1, 2020,
22 through the month ending August 31, 2020,
23 sixteen and five-tenths percent (16.5%), and
24

(b) for the month beginning September 1, 2020,
through the month ending June 30, 2021,
eighteen percent (18%),

(3) for FY 2022, and each fiscal year thereafter,
sixteen and five-tenths percent (16.5%),

c. the following amounts 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 through FY 2020	5.0%
FY 2021:	
(1) for the month beginning July 1, 2020, through the month ending August 31, 2020	5.0%
(2) for the month beginning September 1, 2020, through the month ending June 30, 2021	3.5%
FY 2022	5.0%

1 FY 2023 through FY 2027 5.25%

2 FY 2028 and each fiscal
3 year thereafter 5.0%

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

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

12 4. Notwithstanding any other provision of this section to the
13 contrary, beginning with the fiscal year ending June 30, 2024, and
14 for each fiscal year thereafter, there shall be apportioned an
15 amount of revenue attributable to twenty-five hundredths of one
16 percent (0.0025) imposed on income at the highest income tax rate
17 provided pursuant to the provisions of Section 2355 of this title
18 upon the incomes of natural persons, whether single filing status or
19 married filing status, to be divided equally between the County
20 Community Safety Investment Fund and the Rural Economic Action Plan
21 Supplemental Revenue Revolving created pursuant to Section 2 of this
22 act. The total apportionment required by this subsection shall not
23 exceed Five Hundred Million Dollars (\$500,000,000.00) each fiscal
24 year. When the total apportionment to both funds equals Five

1 Hundred Million Dollars (\$500,000,000.00), the amount of revenue
2 apportioned pursuant to the other provisions of this section shall
3 be operative and all amounts of revenue in excess of Five Hundred
4 Million Dollars (\$500,000,000.00) shall be apportioned as otherwise
5 provided by this section.

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 2015 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 There is hereby created in the State Treasury a revolving fund
10 for the Oklahoma Department of Commerce to be designated the "Rural
11 Economic Action Plan Supplemental Revolving Fund". The fund shall
12 be a continuing fund, not subject to fiscal year limitations, and
13 shall consist of all monies received by the Oklahoma Department of
14 Commerce from the apportionment of income tax as provided pursuant
15 to paragraph 4 of Section 2352 of Title 68 of the Oklahoma Statutes.
16 All monies accruing to the credit of said fund are hereby
17 appropriated and may be budgeted and expended by the Oklahoma
18 Department of Commerce for the purpose of providing supplemental
19 revenues to the eligible entities as provided by the Rural Economic
20 Action Plan Act.

21 SECTION 3. This act shall become effective July 1, 2023.

22 SECTION 4. It being immediately necessary for the preservation
23 of the public peace, health or safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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