

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 HOUSE BILL 2948

 By: McCall

7 AS INTRODUCED

8 An Act relating to revenue and taxation; providing
9 for deduction from taxable income computed pursuant
10 to Oklahoma Income Tax Code for corporations;
11 specifying amount of deduction; specifying taxable
12 years for which deduction is authorized; prescribing
13 procedures for election; providing certain exceptions
14 related to subsidiaries; providing for codification;
15 and providing an effective date.

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2358.CE-1 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 For taxable years beginning on or after January 1, 2024, based
19 upon an election as authorized by Section 2 of this act, there shall
20 be deducted from the Oklahoma taxable income amount for any
21 corporation subject to the levy of income tax imposed pursuant to
22 Section 2355 of Title 68 of the Oklahoma Statutes or from the amount
23 of income subject to the levy of tax imposed pursuant to Section
24 2370 of Title 68 of the Oklahoma Statutes the following amounts:

1 1. Twenty percent (20%) of the total Oklahoma taxable income
2 amount for a taxable year beginning after December 31, 2023, and
3 before January 1, 2025;

4 2. Forty percent (40%) of the total Oklahoma taxable income
5 amount for a taxable year beginning after December 31, 2024, and
6 before January 1, 2026;

7 3. Sixty percent (60%) of the total Oklahoma taxable income
8 amount for a taxable year beginning after December 31, 2025, and
9 before January 1, 2027;

10 4. Eighty percent (80%) of the total Oklahoma taxable income
11 amount for a taxable year beginning after December 31, 2026, and
12 before January 1, 2028; and

13 5. One hundred percent (100%) of the total Oklahoma taxable
14 income amount for any taxable year beginning on or after January 1,
15 2028.

16 SECTION 2. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2358.CE-2 of Title 68, unless
18 there is created a duplication in numbering, reads as follows:

19 A. Not later than June 30, 2024, for entities in existence as
20 of the effective date of this act, and not later than sixty (60)
21 days after the formation of an entity subject to taxation pursuant
22 to Section 2355 of Title 68 of the Oklahoma Statutes or subject to
23 taxation pursuant to Section 2370 of Title 68 of the Oklahoma
24 Statutes which occurs after the effective date of this act, a

1 taxpayer shall make an election, which shall be irrevocable, on such
2 form as may be prescribed for such purpose by the Oklahoma Tax
3 Commission, and except as otherwise provided by this section, to
4 reduce taxable income as required pursuant to Section 1 of this act.

5 B. The irrevocable election authorized by subsection A of this
6 section shall be binding upon any subsidiary entity of the taxpayer
7 making such election unless otherwise provided by this section.

8 C. The irrevocable election otherwise prescribed by subsection
9 A of this section shall not be binding with respect to an entity
10 which was a subsidiary of an entity making such election during any
11 period of time the former subsidiary was not acquired by any other
12 entity.

13 D. If a former subsidiary of an entity making an election
14 pursuant to subsection A of this section is acquired by another
15 entity, the entity having acquired such former subsidiary shall be
16 authorized to make an irrevocable election which is binding upon the
17 former subsidiary of the previous entity.

18 SECTION 3. This act shall become effective January 1, 2024.

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20 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/13/2024 - DO PASS.

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