

1                         **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2   STATE OF OKLAHOMA

3                         2nd Session of the 58th Legislature (2022)

4     HOUSE BILL 3687

  By: McDugle and Manger of the  
  House

5   and

6   **Daniels** of the Senate  
7

8  
9  
10   AS INTRODUCED

11                   **[ revenue and taxation - credit for retired military**  
12                   **personnel - credit for nonmilitary income -**  
13                   **effective date ]**

14  
15  
16  
17     BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18             SECTION 1.         NEW LAW         A new section of law to be codified  
19     in the Oklahoma Statutes as Section 2358.8 of Title 68, unless there  
20     is created a duplication in numbering, reads as follows:

21             A.     As used in this section:

22             1.     "Nonmilitary income" shall mean income received by retired  
23     military personnel from nonmilitary employment.     It shall not mean  
24     income received as military retirement benefits;

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

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

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

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

- 17        1. Who have a security clearance; and  
18        2. Who are employed in a position that requires a security  
19 clearance.

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

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

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

2  
3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
4 03/03/2022 - DO PASS, As Amended and Coauthored.  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24