

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1482

By: Pugh

AS INTRODUCED

An Act relating to income tax credit; amending 62 O.S. 2021, Section 34.103, which relates to the Oklahoma State Finance Act; prescribing duties for the State Board of Equalization; providing tax credit; requiring the Oklahoma Tax Commission to calculate credit amount upon certain certification by the Board; prescribing calculation for credit amount; requiring the Commission to publish credit amount within certain period; eliminating tax credit under certain declaration of revenue failure; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.103, is amended to read as follows:

Section 34.103. A. In addition to any other duties prescribed by law, at the meeting required by Section 23 of Article X of the Oklahoma Constitution to be held in February of 2017, and at the February meeting of the State Board of Equalization each year thereafter, the State Board of Equalization shall certify:

1. For the revenue derived from the tax levied on oil pursuant to Section 1001 of Title 68 of the Oklahoma Statutes, which would

1 otherwise be apportioned to the General Revenue Fund, the average  
2 annual amount of actual revenue apportioned to the General Revenue  
3 Fund for the immediately preceding five (5) complete fiscal years.  
4 For any year after the first year during which a deposit to the  
5 Revenue Stabilization Fund is made, the amount of any deposit to the  
6 Revenue Stabilization Fund shall be disregarded for purposes of this  
7 paragraph and the average shall be computed using the total amount  
8 of revenue that was available to be apportioned to the General  
9 Revenue Fund for the applicable period of time;

10 2. For the revenue derived from the tax levied on natural gas  
11 pursuant to Section 1001 of Title 68 of the Oklahoma Statutes, which  
12 would otherwise be apportioned to the General Revenue Fund, the  
13 average annual amount of actual revenue apportioned to the General  
14 Revenue Fund for the previous five (5) fiscal years. For any year  
15 after the first year during which a deposit to the Revenue  
16 Stabilization Fund is made, the amount of any deposit to the Revenue  
17 Stabilization Fund shall be disregarded for purposes of this  
18 paragraph and the average shall be computed using the total amount  
19 of revenue that was available to be apportioned to the General  
20 Revenue Fund for the applicable period of time; and

21 3. For the revenue derived from the corporate income tax levied  
22 pursuant to Section 2355 of Title 68 the Oklahoma Statutes, which  
23 would otherwise be apportioned to the General Revenue Fund, the  
24 average annual amount of actual revenue apportioned to the General

1 Revenue Fund for the previous five (5) fiscal years. For any year  
2 after the first year during which a deposit to the Revenue  
3 Stabilization Fund is made, the amount of any deposit to the Revenue  
4 Stabilization Fund shall be disregarded for purposes of this  
5 paragraph and the average shall be computed using the total amount  
6 of revenue that was available to be apportioned to the General  
7 Revenue Fund for the applicable period of time.

8 B. If the amount of revenue available for apportionment to the  
9 General Revenue Fund for the next ensuing fiscal year exceeds the  
10 amounts certified pursuant to paragraph 1 or 2 of subsection A of  
11 this section, with respect to each such revenue source, one hundred  
12 percent (100%) of such amount in excess of the separately computed  
13 five-year average, which would otherwise be apportioned to the  
14 General Revenue Fund, shall be deposited to the credit of the  
15 Revenue Stabilization Fund.

16 C. If the amount of revenue available for apportionment to the  
17 General Revenue Fund for the next ensuing fiscal year exceeds the  
18 amount certified pursuant to paragraph 3 of subsection A of this  
19 section:

20 1. Twenty-five percent (25%) of such amount in excess of the  
21 five-year average, which would otherwise be apportioned to the  
22 General Revenue Fund, shall be deposited to the credit of the  
23 Constitutional Reserve Fund unless such deposit would exceed the  
24 maximum balance permitted pursuant to Section 23 of Article X of the

1 Oklahoma Constitution and in such case the amount in excess of the  
2 maximum balance shall be deposited to the credit of the Revenue  
3 Stabilization Fund; and

4 2. Seventy-five percent (75%) of such amount in excess of the  
5 five-year average, which would otherwise be apportioned to the  
6 General Revenue Fund, shall be deposited to the credit of the  
7 Revenue Stabilization Fund, together with any amount required for  
8 deposit pursuant to the provisions of paragraph 1 of this  
9 subsection.

10 D. In addition to any other duties prescribed by law, at the  
11 meeting required by Section 23 of Article X of the Oklahoma  
12 Constitution to be held in February of 2025, and at the February  
13 meeting of the State Board of Equalization each year thereafter, the  
14 State Board of Equalization shall certify:

15 1. The percentage growth of the amounts available for  
16 appropriation, pursuant to paragraph 1 of Section 23 of Article X of  
17 the Oklahoma Constitution, for the ensuing fiscal year from the  
18 current fiscal year, as certified by the Board during the previous  
19 February meeting; and

20 2. If the percentage growth certified pursuant to paragraph 1  
21 of this subsection exceeds ten percent (10%), the Board shall  
22 certify the amount of revenues exceeding five (5) percentage points  
23 of the growth certified for calculating the amount of tax credit  
24 provided in Section 2 of this act.

1 SECTION 2. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2357.207 of Title 68, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. For calendar years where the State Board of Equalization  
5 certifies an amount pursuant to paragraph 2 of subsection D of  
6 Section 34.103 of Title 62 of the Oklahoma Statutes, for the  
7 corresponding tax year, there shall be allowed a refundable credit  
8 against the tax imposed pursuant to Section 2355 of Title 68 of the  
9 Oklahoma Statutes in an amount, rounded to the nearest whole dollar,  
10 to be calculated by the Oklahoma Tax Commission by taking the amount  
11 certified by the Board pursuant to paragraph 2 of subsection D of  
12 Section 34.103 of Title 62 of the Oklahoma Statutes and dividing by  
13 the summation of the following:

14 1. The number of individual, married filing separate, surviving  
15 spouse, and head of household state personal income tax returns  
16 filed in the second preceding tax year, multiplied by the number one  
17 and five thousandths (1.005); and

18 2. The number of married filing jointly state personal income  
19 tax returns filed in the second preceding tax year, multiplied by  
20 the number two and one hundredth (2.01).

21 B. The credit amount calculated by the Commission as provided  
22 in subsection A of this section shall be doubled for those married  
23 filing jointly.

1 C. Within forty-five (45) days of the Board certifying an  
2 amount pursuant to paragraph 2 of subsection D of Section 34.103 of  
3 Title 62 of the Oklahoma Statutes, the Commission shall publish on  
4 its website the amount of tax credit calculated pursuant to  
5 subsection A of this section.

6 D. If a revenue failure is declared pursuant to the provisions  
7 of Section 34.49 of Title 62 of the Oklahoma Statutes prior to  
8 November 1 of the calendar year corresponding to the tax year in  
9 which a tax credit is provided pursuant to this section, the tax  
10 credit shall not be provided for that tax year.

11 SECTION 3. This act shall become effective November 1, 2024.

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