

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 1618

By: Jolley and Treat of the
Senate

6 and

7 Sears and Casey of the
8 House

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to income tax rates; amending Section
12 5, Chapter 195, O.S.L. 2014 (68 O.S. Supp. 2015,
13 Section 2355.1G), which relates to changes in the top
14 marginal individual income tax rate; modifying
15 procedure and methodology for certain determination
16 by State Board of Equalization; defining term; and
17 providing an effective date.

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

19 SECTION 1. AMENDATORY Section 5, Chapter 195, O.S.L.
20 2014 (68 O.S. Supp. 2015, Section 2355.1G), is amended to read as
21 follows:

22 Section 2355.1G. A. The provisions of this section shall be
23 applicable with respect to the implementation of the four and
24 eighty-five hundredths percent (4.85%) top marginal rate of
individual income tax otherwise authorized pursuant to the

1 provisions of subparagraph (f) of paragraphs 1 and 2 of subsection C
2 of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title,
3 which shall be contingent upon a determination by the State Board of
4 Equalization ~~made by a comparison of the revenue computations~~
5 described by this section which shall be conducted until the income
6 tax rate of four and eighty-five hundredths percent (4.85%) is
7 effective.

8 B. In addition to any other duties prescribed by law, at the
9 meeting required by paragraph 1 of Section 23 of Article X of the
10 Oklahoma Constitution to be held in December of the year in which
11 the five percent (5%) top marginal income tax rate prescribed by
12 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
13 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title becomes
14 effective, and for any subsequent December meeting of the State
15 Board of Equalization, if the four and eighty-five hundredths
16 percent (4.85%) top marginal income tax rate prescribed by
17 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
18 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title has not become
19 effective, the State Board of Equalization shall determine:

20 1. ~~The~~ if the amount of ~~estimated revenue growth in the General~~
21 ~~Revenue Fund of the State Treasury~~ the proposed expenditure
22 authority for the fiscal year beginning on the next ensuing July 1,
23 and
24

1 ~~2. The amount by which the income tax revenue for the tax year~~
2 ~~which will begin on the second January 1 following such December~~
3 ~~meeting is estimated to be reduced by a fifteen hundredths percent~~
4 ~~(0.15%) decrease in the top marginal income tax rate, in order for a~~
5 ~~top marginal income tax rate of four and eighty-five hundredths~~
6 ~~percent (4.85%) to be effective is in excess of the threshold amount~~
7 ~~of Seven Billion Two Hundred Fifty Million Dollars~~
8 ~~(\$7,250,000,000.00).~~

9 If the amount ~~determined pursuant to the provisions of paragraph~~
10 ~~1 of this subsection is equal to or greater than the amount~~
11 ~~determined pursuant to the provisions of paragraph 2 of this~~
12 ~~subsection is in excess of the threshold amount of Seven Billion Two~~
13 ~~Hundred Fifty Million Dollars (\$7,250,000,000.00), the Board shall~~
14 ~~make a preliminary finding that the Board anticipates that a finding~~
15 ~~will be made at the February meeting immediately subsequent to the~~
16 ~~December meeting that the ~~revenue computations~~ threshold amount~~
17 ~~required by this section will authorize the implementation of the~~
18 ~~four and eighty-five hundredths percent (4.85%) top marginal rate~~
19 ~~pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C~~
20 ~~of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title~~
21 ~~beginning on the second January 1 following the December meeting.~~

22 If the amount ~~determined pursuant to the provisions of paragraph~~
23 ~~1 of this subsection is less than the amount determined pursuant to~~
24 ~~the provisions of paragraph 2 of this subsection is not in excess of~~

1 the threshold amount of Seven Billion Two Hundred Fifty Million
2 Dollars (\$7,250,000,000.00), the Board shall make a preliminary
3 finding that the Board anticipates that a finding will be made at
4 the February meeting immediately subsequent to the December meeting
5 that the ~~revenue computations~~ threshold amount required by this
6 section will not be achieved and therefore will not authorize the
7 implementation of the four and eighty-five hundredths percent
8 (4.85%) top marginal income tax rate subparagraph (f) of paragraphs
9 1 and 2 of subsection C of Section 2355 of ~~Title 68 of the Oklahoma~~
10 ~~Statutes~~ this title beginning on the second January 1 following the
11 December meeting.

12 C. In addition to any other duties prescribed by law, at the
13 meeting required by paragraph 3 of Section 23 of Article X of the
14 Oklahoma Constitution to be held in February following the year in
15 which the five percent (5%) top marginal income tax rate prescribed
16 by subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
17 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title becomes
18 effective, and for any subsequent February meeting of the State
19 Board of Equalization, if the four and eighty-five hundredths
20 percent (4.85%) top marginal income tax rate prescribed by
21 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
22 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title has not become
23 effective, the State Board of Equalization shall determine~~+~~

24

1 ~~1. The if the amount of estimated revenue growth in the General~~
2 ~~Revenue Fund of the State Treasury the proposed expenditure~~
3 ~~authority for the fiscal year beginning on the next ensuing July 1~~7~~~~
4 ~~and~~

5 ~~2. The amount by which the income tax revenue for the tax year~~
6 ~~which will begin on the January 1 immediately following the February~~
7 ~~meeting is estimated to be reduced by a fifteen hundredths percent~~
8 ~~(.15%) decrease in the top marginal income tax rate, in order for a~~
9 ~~top marginal income tax rate of four and eighty five hundredths~~
10 ~~percent (4.85%) to be effective is in excess of the threshold amount~~
11 ~~of Seven Billion Two Hundred Fifty Million Dollars~~
12 ~~(\$7,250,000,000.00).~~

13 If the amount ~~determined pursuant to the provisions of paragraph~~
14 ~~1 of this subsection is equal to or greater than the amount~~
15 ~~determined pursuant to the provisions of paragraph 2 of this~~
16 ~~subsection is in excess of the threshold amount of Seven Billion Two~~
17 ~~Hundred Fifty Million Dollars (\$7,250,000,000.00), the Board shall~~
18 ~~make a finding that the ~~revenue computations~~ threshold amount~~
19 ~~required by this section will authorize the implementation of the~~
20 ~~four and eighty-five hundredths percent (4.85%) top marginal income~~
21 ~~tax rate pursuant to subparagraph (f) of paragraphs 1 and 2 of~~
22 ~~subsection C of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~~~
23 ~~this title beginning on the January 1 immediately following the~~

24

1 February meeting and the Board shall recertify the proposed
2 expenditure authority accordingly.

3 If the amount ~~determined pursuant to the provisions of paragraph~~
4 ~~1 of this subsection is less than the amount determined pursuant to~~
5 ~~the provisions of paragraph 2 of this subsection~~ is not in excess of
6 the threshold amount of Seven Billion Two Hundred Fifty Million
7 Dollars (\$7,250,000,000.00), the Board shall make a finding that the
8 ~~revenue computations~~ threshold amount required by this section ~~do~~
9 will not be achieved and therefore will not authorize the
10 implementation of the four and eighty-five hundredths percent
11 (4.85%) top marginal income tax rate pursuant to subparagraph (f) of
12 paragraphs 1 and 2 of subsection C of Section 2355 of ~~Title 68 of~~
13 ~~the Oklahoma Statutes~~ this title beginning with the January 1
14 immediately following the February meeting.

15 D. If the Board makes a finding that the ~~revenue computations~~
16 threshold amount required by this section ~~do not authorize the~~ will
17 not result in implementation of the four and eighty-five hundredths
18 percent (4.85%) top marginal income tax rate pursuant to
19 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
20 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title beginning with
21 calendar year 2018 pursuant to the provisions of subsection C of
22 this section, the procedures prescribed by subsection A, subsection
23 B, and subsection C of this section shall be repeated by the State
24 Board of Equalization for each successive ~~two-year comparison~~

1 determination. Once the four and eighty-five hundredths percent
2 (4.85%) top marginal income tax rate otherwise authorized pursuant
3 to subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
4 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title has been
5 implemented, such income tax rate shall be in effect for all
6 subsequent tax years.

7 E. For purposes of this section "proposed expenditure
8 authority" represents the total amount available for the Legislature
9 to spend, including:

10 1. Estimated amounts from certified funds subject to the
11 ninety-five percent (95%) limit provided for in Section 23 of
12 Article X of the Oklahoma Constitution and cash available in those
13 funds from any prior years;

14 2. Estimated amounts from Commissioners of the Land Office
15 Fund, Oklahoma Education Lottery Trust Fund, Common Education
16 Technology Revolving Fund, Oklahoma Student Aid Revolving Fund,
17 Higher Education Capital Revolving Fund, Education Reform Revolving
18 Fund, Tobacco Settlement Endowment Trust Fund, State Judicial
19 Revolving Fund and State Transportation Fund and cash available in
20 those funds from any prior years.

21 SECTION 2. This act shall become effective November 1, 2016.

22

23 55-2-3447 JCR 5/24/2016 7:40:39 PM

24