

1 STATE OF OKLAHOMA

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

3 SENATE BILL 957

By: Sharp

4  
5  
6 AS INTRODUCED

7 An Act relating to income tax rates; amending Section  
8 5, Chapter 195, O.S.L. 2014 (68 O.S. Supp. 2015,  
9 Section 2355.1G), which relates to changes in top  
10 marginal rate; modifying methodology used by State  
11 Board of Equalization for making certain  
12 determination; and providing an effective date.

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

13 SECTION 1. AMENDATORY Section 5, Chapter 195, O.S.L.  
14 2014 (68 O.S. Supp. 2015, Section 2355.1G), is amended to read as  
15 follows:

16 Section 2355.1G. A. The provisions of this section shall be  
17 applicable with respect to the implementation of the four and  
18 eighty-five hundredths percent (4.85%) top marginal rate of  
19 individual income tax otherwise authorized pursuant to the  
20 provisions of subparagraph (f) of paragraphs 1 and 2 of subsection C  
21 of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title,  
22 which shall be contingent upon a determination by the State Board of  
23 Equalization made by a comparison of the revenue computations  
24 described by this section which shall be conducted until the income

1 tax rate of four and eighty-five hundredths percent (4.85%) is  
2 effective.

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

15 1. The amount of estimated revenue growth in the General  
16 Revenue Fund of the State Treasury for the fiscal year beginning on  
17 the next ensuing July 1; and

18 2. The amount by which the income tax revenue for the tax year  
19 which will begin on the second January 1 following such December  
20 meeting is estimated to be reduced by a fifteen hundredths percent  
21 (0.15%) decrease in the top marginal income tax rate, plus an amount  
22 equal to four percent (4%) of the revised General Revenue Fund  
23 estimate for the then current fiscal year in order for a top  
24

1 marginal income tax rate of four and eighty-five hundredths percent  
2 (4.85%) to be effective.

3       If the amount determined pursuant to the provisions of paragraph  
4 1 of this subsection is equal to or greater than the amount  
5 determined pursuant to the provisions of paragraph 2 of this  
6 subsection, the Board shall make a preliminary finding that the  
7 Board anticipates that a finding will be made at the February  
8 meeting immediately subsequent to the December meeting that the  
9 revenue computations required by this section will authorize the  
10 implementation of the four and eighty-five hundredths percent  
11 (4.85%) top marginal rate pursuant to subparagraph (f) of paragraphs  
12 1 and 2 of subsection C of Section 2355 of ~~Title 68 of the Oklahoma~~  
13 ~~Statutes~~ this title beginning on the second January 1 following the  
14 December meeting.

15       If the amount determined pursuant to the provisions of paragraph  
16 1 of this subsection is less than the amount determined pursuant to  
17 the provisions of paragraph 2 of this subsection, the Board shall  
18 make a preliminary finding that the Board anticipates that a finding  
19 will be made at the February meeting immediately subsequent to the  
20 December meeting that the revenue computations required by this  
21 section will not authorize the implementation of the four and  
22 eighty-five hundredths percent (4.85%) top marginal income tax rate  
23 subparagraph (f) of paragraphs 1 and 2 of subsection C of Section  
24

1 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title beginning on  
2 the second January 1 following the December meeting.

3 C. In addition to any other duties prescribed by law, at the  
4 meeting required by paragraph 3 of Section 23 of Article X of the  
5 Oklahoma Constitution to be held in February following the year in  
6 which the five percent (5%) top marginal income tax rate prescribed  
7 by subparagraph (f) of paragraphs 1 and 2 of subsection C of Section  
8 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title becomes  
9 effective, and for any subsequent February meeting of the State  
10 Board of Equalization, if the four and eighty-five hundredths  
11 percent (4.85%) 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 has not become  
14 effective, the State Board of Equalization shall determine:

15 1. The amount of estimated revenue growth in the General  
16 Revenue Fund of the State Treasury for the fiscal year beginning on  
17 the next ensuing July 1; and

18 2. The amount by which the income tax revenue for the tax year  
19 which will begin on the January 1 immediately following the February  
20 meeting is estimated to be reduced by a fifteen hundredths percent  
21 (.15%) decrease in the top marginal income tax rate, plus an amount  
22 equal to four percent (4%) of the revised General Revenue Fund  
23 estimate for the then current fiscal year in order for a top  
24

1 marginal income tax rate of four and eighty-five hundredths percent  
2 (4.85%) to be effective.

3       If the amount determined pursuant to the provisions of paragraph  
4 1 of this subsection is equal to or greater than the amount  
5 determined pursuant to the provisions of paragraph 2 of this  
6 subsection, the Board shall make a finding that the revenue  
7 computations required by this section will authorize the  
8 implementation of the four and eighty-five hundredths percent  
9 (4.85%) top marginal income tax rate pursuant to subparagraph (f) of  
10 paragraphs 1 and 2 of subsection C of Section 2355 of ~~Title 68 of~~  
11 ~~the Oklahoma Statutes~~ this title beginning on the January 1  
12 immediately following the February meeting.

13       If the amount determined pursuant to the provisions of paragraph  
14 1 of this subsection is less than the amount determined pursuant to  
15 the provisions of paragraph 2 of this subsection, the Board shall  
16 make a finding that the revenue computations required by this  
17 section do not authorize the implementation of the four and eighty-  
18 five hundredths percent (4.85%) top marginal income tax 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 with the January 1 immediately following the February  
22 meeting.

23       D. If the Board makes a finding that the revenue computations  
24 required by this section do not authorize the implementation of the

1 four and eighty-five hundredths percent (4.85%) top marginal income  
2 tax rate pursuant to subparagraph (f) of paragraphs 1 and 2 of  
3 subsection C of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~  
4 this title beginning with calendar year 2018 pursuant to the  
5 provisions of subsection C of this section, the procedures  
6 prescribed by subsection A, subsection B, and subsection C of this  
7 section shall be repeated by the State Board of Equalization for  
8 each successive two-year comparison. Once the four and eighty-five  
9 hundredths percent (4.85%) top marginal income tax rate otherwise  
10 authorized pursuant to subparagraph (f) of paragraphs 1 and 2 of  
11 subsection C of Section 2355 of ~~Title 68 of the Oklahoma Statutes~~  
12 this title has been implemented, such income tax rate shall be in  
13 effect for all subsequent tax years.

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

15

16 55-2-2698 JCR 1/4/2016 3:11:14 PM

17

18

19

20

21

22

23

24