

1 **SENATE FLOOR VERSION**

February 9, 2016

2 **AS AMENDED**

3 SENATE BILL NO. 957

By: Sharp of the Senate

4 and

5 **Nollan** of the House

6
7
8 **[income tax rates - top marginal rate - methodology**
9 **- effective date]**

10
11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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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 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
16 February 9, 2016 - DO PASS AS AMENDED
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