

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2960 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Kevin Wallace \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2960

By: McCall, Wallace and Hilbert  
of the House

7 and

Treat, Thompson and Hall of  
the Senate

8  
9  
10 PROPOSED COMMITTEE SUBSTITUTE

11 An Act relating to revenue and taxation; amending 68  
12 O.S. 2011, Section 2355, as last amended by Section  
13 2, Chapter 195, O.S.L. 2014 (68 O.S. Supp. 2020,  
14 Section 2355), which relates to income taxation;  
15 modifying income tax rate for corporations; and  
16 providing an effective date.

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

18 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2355, as  
19 last amended by Section 2, Chapter 195, O.S.L. 2014 (68 O.S. Supp.  
20 2020, Section 2355), is amended to read as follows:

21 Section 2355. A. Individuals. For all taxable years beginning  
22 after December 31, 1998, and before January 1, 2006, a tax is hereby  
23 imposed upon the Oklahoma taxable income of every resident or  
24 nonresident individual, which tax shall be computed at the option of  
the taxpayer under one of the two following methods:



- 1 (1) 1/2% tax on first \$2,000.00 or part thereof,
- 2 (2) 1% tax on next \$3,000.00 or part thereof,
- 3 (3) 2% tax on next \$2,500.00 or part thereof,
- 4 (4) 3% tax on next \$2,300.00 or part thereof,
- 5 (5) 4% tax on next \$2,400.00 or part thereof,
- 6 (6) 5% tax on next \$2,800.00 or part thereof,
- 7 (7) 6% tax on next \$6,000.00 or part thereof, and
- 8 (8) (a) for taxable years beginning after December  
9 31, 1998, and before January 1, 2002, 6.75%  
10 tax on the remainder,  
11 (b) for taxable years beginning on or after  
12 January 1, 2002, and before January 1, 2004,  
13 7% tax on the remainder, and  
14 (c) for taxable years beginning on or after  
15 January 1, 2004, 6.65% tax on the remainder.

16 2. METHOD 2.

17 a. Single individuals and married individuals filing  
18 separately deducting federal income tax:

- 19 (1) 1/2% tax on first \$1,000.00 or part thereof,
- 20 (2) 1% tax on next \$1,500.00 or part thereof,
- 21 (3) 2% tax on next \$1,250.00 or part thereof,
- 22 (4) 3% tax on next \$1,150.00 or part thereof,
- 23 (5) 4% tax on next \$1,200.00 or part thereof,
- 24 (6) 5% tax on next \$1,400.00 or part thereof,

- 1 (7) 6% tax on next \$1,500.00 or part thereof,
- 2 (8) 7% tax on next \$1,500.00 or part thereof,
- 3 (9) 8% tax on next \$2,000.00 or part thereof,
- 4 (10) 9% tax on next \$3,500.00 or part thereof, and
- 5 (11) 10% tax on the remainder.

6 b. Married individuals filing jointly and surviving  
7 spouse to the extent and in the manner that a  
8 surviving spouse is permitted to file a joint return  
9 under the provisions of the Internal Revenue Code and  
10 heads of households as defined in the Internal Revenue  
11 Code deducting federal income tax:

- 12 (1) 1/2% tax on the first \$2,000.00 or part thereof,
- 13 (2) 1% tax on the next \$3,000.00 or part thereof,
- 14 (3) 2% tax on the next \$2,500.00 or part thereof,
- 15 (4) 3% tax on the next \$1,400.00 or part thereof,
- 16 (5) 4% tax on the next \$1,500.00 or part thereof,
- 17 (6) 5% tax on the next \$1,600.00 or part thereof,
- 18 (7) 6% tax on the next \$1,250.00 or part thereof,
- 19 (8) 7% tax on the next \$1,750.00 or part thereof,
- 20 (9) 8% tax on the next \$3,000.00 or part thereof,
- 21 (10) 9% tax on the next \$6,000.00 or part thereof, and
- 22 (11) 10% tax on the remainder.

23 B. Individuals. For all taxable years beginning on or after  
24 January 1, 2008, and ending any tax year which begins after December

1 31, 2015, for which the determination required pursuant to Sections  
2 4 and 5 of this act is made by the State Board of Equalization, a  
3 tax is hereby imposed upon the Oklahoma taxable income of every  
4 resident or nonresident individual, which tax shall be computed as  
5 follows:

6 1. Single individuals and married individuals filing  
7 separately:

8 (a) 1/2% tax on first \$1,000.00 or part thereof,

9 (b) 1% tax on next \$1,500.00 or part thereof,

10 (c) 2% tax on next \$1,250.00 or part thereof,

11 (d) 3% tax on next \$1,150.00 or part thereof,

12 (e) 4% tax on next \$2,300.00 or part thereof,

13 (f) 5% tax on next \$1,500.00 or part thereof,

14 (g) 5.50% tax on the remainder for the 2008 tax year and  
15 any subsequent tax year unless the rate prescribed by  
16 subparagraph (h) of this paragraph is in effect, and

17 (h) 5.25% tax on the remainder for the 2009 and subsequent  
18 tax years. The decrease in the top marginal  
19 individual income tax rate otherwise authorized by  
20 this subparagraph shall be contingent upon the  
21 determination required to be made by the State Board  
22 of Equalization pursuant to Section 2355.1A of this  
23 title.

24

1        2. Married individuals filing jointly and surviving spouse to  
2 the extent and in the manner that a surviving spouse is permitted to  
3 file a joint return under the provisions of the Internal Revenue  
4 Code and heads of households as defined in the Internal Revenue  
5 Code:

- 6            (a) 1/2% tax on first \$2,000.00 or part thereof,
- 7            (b) 1% tax on next \$3,000.00 or part thereof,
- 8            (c) 2% tax on next \$2,500.00 or part thereof,
- 9            (d) 3% tax on next \$2,300.00 or part thereof,
- 10           (e) 4% tax on next \$2,400.00 or part thereof,
- 11           (f) 5% tax on next \$2,800.00 or part thereof,
- 12           (g) 5.50% tax on the remainder for the 2008 tax year and  
13           any subsequent tax year unless the rate prescribed by  
14           subparagraph (h) of this paragraph is in effect, and
- 15           (h) 5.25% tax on the remainder for the 2009 and subsequent  
16           tax years. The decrease in the top marginal  
17           individual income tax rate otherwise authorized by  
18           this subparagraph shall be contingent upon the  
19           determination required to be made by the State Board  
20           of Equalization pursuant to Section 2355.1A of this  
21           title.

22        C. Individuals. For all taxable years beginning on or after  
23 January 1, 2016, and for which the determination required pursuant  
24 to Sections 4 and 5 of this act is made by the State Board of

1 Equalization, a tax is hereby imposed upon the Oklahoma taxable  
2 income of every resident or nonresident individual, which tax shall  
3 be computed as follows:

4 1. Single individuals and married individuals filing  
5 separately:

6 (a) 1/2% tax on first \$1,000.00 or part thereof,

7 (b) 1% tax on next \$1,500.00 or part thereof,

8 (c) 2% tax on next \$1,250.00 or part thereof,

9 (d) 3% tax on next \$1,150.00 or part thereof,

10 (e) 4% tax on next \$2,300.00 or part thereof,

11 (f) 5% tax on the remainder if the State Board of

12 Equalization makes a determination pursuant to Section

13 4 of this act or four and eighty-five hundredths

14 (4.85%) tax on the remainder if the State Board of

15 Equalization makes a determination pursuant to Section

16 5 of this act.

17 2. Married individuals filing jointly and surviving spouse to  
18 the extent and in the manner that a surviving spouse is permitted to  
19 file a joint return under the provisions of the Internal Revenue  
20 Code and heads of households as defined in the Internal Revenue  
21 Code:

22 (a) 1/2% tax on first \$2,000.00 or part thereof,

23 (b) 1% tax on next \$3,000.00 or part thereof,

24 (c) 2% tax on next \$2,500.00 or part thereof,

- 1 (d) 3% tax on next \$2,300.00 or part thereof,  
2 (e) 4% tax on next \$2,400.00 or part thereof,  
3 (f) 5% tax on the remainder if the State Board of  
4 Equalization makes a determination pursuant to Section  
5 4 of this act or four and eighty-five hundredths  
6 percent (4.85%) tax on the remainder if the State  
7 Board of Equalization makes a determination pursuant  
8 to Section 5 of this act.

9 No deduction for federal income taxes paid shall be allowed to  
10 any taxpayer to arrive at taxable income.

11 D. Nonresident aliens. In lieu of the rates set forth in  
12 subsection A above, there shall be imposed on nonresident aliens, as  
13 defined in the Internal Revenue Code, a tax of eight percent (8%)  
14 instead of thirty percent (30%) as used in the Internal Revenue  
15 Code, with respect to the Oklahoma taxable income of such  
16 nonresident aliens as determined under the provision of the Oklahoma  
17 Income Tax Act.

18 Every payer of amounts covered by this subsection shall deduct  
19 and withhold from such amounts paid each payee an amount equal to  
20 eight percent (8%) thereof. Every payer required to deduct and  
21 withhold taxes under this subsection shall for each quarterly period  
22 on or before the last day of the month following the close of each  
23 such quarterly period, pay over the amount so withheld as taxes to  
24 the Tax Commission, and shall file a return with each such payment.

1 Such return shall be in such form as the Tax Commission shall  
2 prescribe. Every payer required under this subsection to deduct and  
3 withhold a tax from a payee shall, as to the total amounts paid to  
4 each payee during the calendar year, furnish to such payee, on or  
5 before January 31, of the succeeding year, a written statement  
6 showing the name of the payer, the name of the payee and the payee's  
7 social security account number, if any, the total amount paid  
8 subject to taxation, and the total amount deducted and withheld as  
9 tax and such other information as the Tax Commission may require.  
10 Any payer who fails to withhold or pay to the Tax Commission any  
11 sums herein required to be withheld or paid shall be personally and  
12 individually liable therefor to the State of Oklahoma.

13 E. Corporations. For all taxable years beginning after  
14 December 31, ~~1989~~ 2021, a tax is hereby imposed upon the Oklahoma  
15 taxable income of every corporation doing business within this state  
16 or deriving income from sources within this state in an amount equal  
17 to ~~six percent (6%)~~ four percent (4%) thereof.

18 There shall be no additional Oklahoma income tax imposed on  
19 accumulated taxable income or on undistributed personal holding  
20 company income as those terms are defined in the Internal Revenue  
21 Code.

22 F. Certain foreign corporations. In lieu of the tax imposed in  
23 the first paragraph of subsection D of this section, for all taxable  
24 years beginning after December 31, ~~1989~~ 2021, there shall be imposed

1 on foreign corporations, as defined in the Internal Revenue Code, a  
2 tax of ~~six percent (6%)~~ four percent (4%) instead of thirty percent  
3 (30%) as used in the Internal Revenue Code, where such income is  
4 received from sources within Oklahoma, in accordance with the  
5 provisions of the Internal Revenue Code and the Oklahoma Income Tax  
6 Act.

7 Every payer of amounts covered by this subsection shall deduct  
8 and withhold from such amounts paid each payee an amount equal to  
9 ~~six percent (6%)~~ four percent (4%) thereof. Every payer required to  
10 deduct and withhold taxes under this subsection shall for each  
11 quarterly period on or before the last day of the month following  
12 the close of each such quarterly period, pay over the amount so  
13 withheld as taxes to the Tax Commission, and shall file a return  
14 with each such payment. Such return shall be in such form as the  
15 Tax Commission shall prescribe. Every payer required under this  
16 subsection to deduct and withhold a tax from a payee shall, as to  
17 the total amounts paid to each payee during the calendar year,  
18 furnish to such payee, on or before January 31, of the succeeding  
19 year, a written statement showing the name of the payer, the name of  
20 the payee and the payee's social security account number, if any,  
21 the total amounts paid subject to taxation, the total amount  
22 deducted and withheld as tax and such other information as the Tax  
23 Commission may require. Any payer who fails to withhold or pay to  
24 the Tax Commission any sums herein required to be withheld or paid

1 shall be personally and individually liable therefor to the State of  
2 Oklahoma.

3 G. Fiduciaries. A tax is hereby imposed upon the Oklahoma  
4 taxable income of every trust and estate at the same rates as are  
5 provided in subsection B or C of this section for single  
6 individuals. Fiduciaries are not allowed a deduction for any  
7 federal income tax paid.

8 H. Tax rate tables. For all taxable years beginning after  
9 December 31, 1991, in lieu of the tax imposed by subsection A, B or  
10 C of this section, as applicable there is hereby imposed for each  
11 taxable year on the taxable income of every individual, whose  
12 taxable income for such taxable year does not exceed the ceiling  
13 amount, a tax determined under tables, applicable to such taxable  
14 year which shall be prescribed by the Tax Commission and which shall  
15 be in such form as it determines appropriate. In the table so  
16 prescribed, the amounts of the tax shall be computed on the basis of  
17 the rates prescribed by subsection A, B or C of this section. For  
18 purposes of this subsection, the term "ceiling amount" means, with  
19 respect to any taxpayer, the amount determined by the Tax Commission  
20 for the tax rate category in which such taxpayer falls.

21 SECTION 2. This act shall become effective January 1, 2022.

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23 58-1-8309 MAH 05/14/21  
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