

FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2950 _____
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: Charles McCall

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 FLOOR SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2950

6 By: McCall

7
8 FLOOR SUBSTITUTE

9 An Act relating to revenue and taxation; amending 68
10 O.S. 2021, Section 2355, as last amended by Section
11 1, Chapter 27, 1st Extraordinary Session of the 59th
12 Oklahoma Legislature, O.S.L. 2023 (68 O.S. Supp.
13 2023, Section 2355), which relates to income tax
14 rates for individuals and other entities; modifying
15 income tax rate for designated tax year; providing
16 for reductions in income tax rates based upon certain
17 determination with respect to tax collections;
18 providing for further reductions in income tax rates
19 using prescribed formula; and providing an effective
20 date.

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

22 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2355, as
23 last amended by Section 1, Chapter 27, 1st Extraordinary Session,
24 O.S.L. 2023 (68 O.S. Supp. 2023, Section 2355), is amended to read
as follows:

Section 2355. A. Individuals. For all taxable years beginning
after December 31, 1998, and before January 1, 2006, a tax is hereby
imposed upon the Oklahoma taxable income of every resident or

1 nonresident individual, which tax shall be computed at the option of
2 the taxpayer under one of the two following methods:

3 1. METHOD 1.

4 a. Single individuals and married individuals filing
5 separately not deducting federal income tax:

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

7 (2) 1% tax on next \$1,500.00 or part thereof,

8 (3) 2% tax on next \$1,250.00 or part thereof,

9 (4) 3% tax on next \$1,150.00 or part thereof,

10 (5) 4% tax on next \$1,300.00 or part thereof,

11 (6) 5% tax on next \$1,500.00 or part thereof,

12 (7) 6% tax on next \$2,300.00 or part thereof, and

13 (8) (a) for taxable years beginning after December
14 31, 1998, and before January 1, 2002, 6.75%
15 tax on the remainder,

16 (b) for taxable years beginning on or after
17 January 1, 2002, and before January 1, 2004,
18 7% tax on the remainder, and

19 (c) for taxable years beginning on or after
20 January 1, 2004, 6.65% tax on the remainder.

21 b. Married individuals filing jointly and surviving
22 spouse to the extent and in the manner that a
23 surviving spouse is permitted to file a joint return
24 under the provisions of the Internal Revenue Code and

1 heads of households as defined in the Internal Revenue
2 Code not deducting federal income tax:

3 (1) 1/2% tax on first \$2,000.00 or part thereof,

4 (2) 1% tax on next \$3,000.00 or part thereof,

5 (3) 2% tax on next \$2,500.00 or part thereof,

6 (4) 3% tax on next \$2,300.00 or part thereof,

7 (5) 4% tax on next \$2,400.00 or part thereof,

8 (6) 5% tax on next \$2,800.00 or part thereof,

9 (7) 6% tax on next \$6,000.00 or part thereof, and

10 (8) (a) for taxable years beginning after December

11 31, 1998, and before January 1, 2002, 6.75%

12 tax on the remainder,

13 (b) for taxable years beginning on or after

14 January 1, 2002, and before January 1, 2004,

15 7% tax on the remainder, and

16 (c) for taxable years beginning on or after

17 January 1, 2004, 6.65% tax on the remainder.

18 2. METHOD 2.

19 a. Single individuals and married individuals filing

20 separately deducting federal income tax:

21 (1) 1/2% tax on first \$1,000.00 or part thereof,

22 (2) 1% tax on next \$1,500.00 or part thereof,

23 (3) 2% tax on next \$1,250.00 or part thereof,

24 (4) 3% tax on next \$1,150.00 or part thereof,

- 1 (5) 4% tax on next \$1,200.00 or part thereof,
- 2 (6) 5% tax on next \$1,400.00 or part thereof,
- 3 (7) 6% tax on next \$1,500.00 or part thereof,
- 4 (8) 7% tax on next \$1,500.00 or part thereof,
- 5 (9) 8% tax on next \$2,000.00 or part thereof,
- 6 (10) 9% tax on next \$3,500.00 or part thereof, and
- 7 (11) 10% tax on the remainder.

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

- 14 (1) 1/2% tax on the first \$2,000.00 or part thereof,
- 15 (2) 1% tax on the next \$3,000.00 or part thereof,
- 16 (3) 2% tax on the next \$2,500.00 or part thereof,
- 17 (4) 3% tax on the next \$1,400.00 or part thereof,
- 18 (5) 4% tax on the next \$1,500.00 or part thereof,
- 19 (6) 5% tax on the next \$1,600.00 or part thereof,
- 20 (7) 6% tax on the next \$1,250.00 or part thereof,
- 21 (8) 7% tax on the next \$1,750.00 or part thereof,
- 22 (9) 8% tax on the next \$3,000.00 or part thereof,
- 23 (10) 9% tax on the next \$6,000.00 or part thereof, and
- 24 (11) 10% tax on the remainder.

1 B. Individuals. For all taxable years beginning on or after
2 January 1, 2008, and ending any tax year which begins after December
3 31, 2015, for which the determination required pursuant to Sections
4 4 and 5 of this act is made by the State Board of Equalization, a
5 tax is hereby imposed upon the Oklahoma taxable income of every
6 resident or nonresident individual, which tax shall be computed as
7 follows:

8 1. Single individuals and married individuals filing
9 separately:

- 10 (a) 1/2% tax on first \$1,000.00 or part thereof,
- 11 (b) 1% tax on next \$1,500.00 or part thereof,
- 12 (c) 2% tax on next \$1,250.00 or part thereof,
- 13 (d) 3% tax on next \$1,150.00 or part thereof,
- 14 (e) 4% tax on next \$2,300.00 or part thereof,
- 15 (f) 5% tax on next \$1,500.00 or part thereof,
- 16 (g) 5.50% tax on the remainder for the 2008 tax year and
17 any subsequent tax year unless the rate prescribed by
18 subparagraph (h) of this paragraph is in effect, and
- 19 (h) 5.25% tax on the remainder for the 2009 and subsequent
20 tax years. The decrease in the top marginal
21 individual income tax rate otherwise authorized by
22 this subparagraph shall be contingent upon the
23 determination required to be made by the State Board
24

1 of Equalization pursuant to Section 2355.1A of this
2 title.

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

- 8 (a) 1/2% tax on first \$2,000.00 or part thereof,
- 9 (b) 1% tax on next \$3,000.00 or part thereof,
- 10 (c) 2% tax on next \$2,500.00 or part thereof,
- 11 (d) 3% tax on next \$2,300.00 or part thereof,
- 12 (e) 4% tax on next \$2,400.00 or part thereof,
- 13 (f) 5% tax on next \$2,800.00 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.

1 C. Individuals. For all taxable years beginning on or after
2 January 1, 2024, and except as provided pursuant to the provisions
3 of subsection D of this section, a tax is hereby imposed upon the
4 Oklahoma taxable income of every resident or nonresident individual,
5 which tax shall be computed as follows:

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

- 8 (a) 0.25% tax on first \$1,000.00 or part thereof,
- 9 (b) 0.75% tax on next \$1,500.00 or part thereof,
- 10 (c) 1.75% tax on next \$1,250.00 or part thereof,
- 11 (d) 2.75% tax on next \$1,150.00 or part thereof,
- 12 (e) 3.75% tax on next \$2,300.00 or part thereof,
- 13 (f) 4.75% tax on the remainder.

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

- 19 (a) 0.25% tax on first \$2,000.00 or part thereof,
- 20 (b) 0.75% tax on next \$3,000.00 or part thereof,
- 21 (c) 1.75% tax on next \$2,500.00 or part thereof,
- 22 (d) 2.75% tax on next \$2,300.00 or part thereof,
- 23 (e) 3.75% tax on next \$4,600.00 or part thereof,
- 24 (f) 4.75% tax on the remainder.

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

3 D. Individuals. 1. Except as otherwise provided by this
4 subsection, for all taxable years beginning on or after January 1,
5 2025, a tax is hereby imposed upon the Oklahoma taxable income of
6 every resident or nonresident individual, which tax shall be four
7 and seventy-five hundredths percent (4.75%) reduced by 0.0025, for
8 purposes of any reduction, for any income tax year beginning on the
9 January 1 date immediately succeeding a fiscal year ending on the
10 preceding June 30 for which the State Board of Equalization makes a
11 certification, at its December meeting, that total tax collections
12 for such fiscal year exceeded the total tax collections for the
13 immediately preceding fiscal year by Four Hundred Million Dollars
14 (\$400,000,000.00) or more. Subject to the determinations regarding
15 the increase in total tax collections as prescribed by this
16 paragraph, the reductions prescribed by this paragraph shall be made
17 for all applicable income tax years until the rate of individual
18 income tax equals three percent (3.0%). The tax levied pursuant to
19 this subsection shall be levied only upon the amounts of Oklahoma
20 taxable income in excess of:

- 21 a. Thirteen Thousand Five Hundred Fifty Dollars
22 (\$13,550.00) for taxpayers having a single or married
23 filing separate filing status, or

1 b. Twenty-seven Thousand One Hundred Dollars (\$27,100.00)
2 for taxpayers having a married joint return filing
3 status, head of household or qualifying widow filing
4 status.

5 2. If the individual income tax rate reaches three percent
6 (3.0%) as provided by paragraph 1 of this subsection, such income
7 tax rate shall be in effect for the income tax year beginning on the
8 January 1 date immediately following the income tax year for which
9 the rate of income tax was three and twenty-five hundredths percent
10 (3.25%), and the rate of three percent (3.0%) shall be reduced each
11 succeeding income tax year by 0.3, such subtraction to be made from
12 the whole number three (3). Such reduction shall be made for each
13 of the ten (10) succeeding income tax years, each beginning January
14 1, until the rate of individual income tax equals zero percent (0%).

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

22 Every payer of amounts covered by this subsection shall deduct
23 and withhold from such amounts paid each payee an amount equal to
24 eight percent (8%) thereof. Every payer required to deduct and

1 withhold taxes under this subsection shall for each quarterly period
2 on or before the last day of the month following the close of each
3 such quarterly period, pay over the amount so withheld as taxes to
4 the Tax Commission, and shall file a return with each such payment.
5 Such return shall be in such form as the Tax Commission shall
6 prescribe. Every payer required under this subsection to deduct and
7 withhold a tax from a payee shall, as to the total amounts paid to
8 each payee during the calendar year, furnish to such payee, on or
9 before January 31, of the succeeding year, a written statement
10 showing the name of the payer, the name of the payee and the payee's
11 Social Security account number, if any, the total amount paid
12 subject to taxation, and the total amount deducted and withheld as
13 tax and such other information as the Tax Commission may require.
14 Any payer who fails to withhold or pay to the Tax Commission any
15 sums herein required to be withheld or paid shall be personally and
16 individually liable therefor to the State of Oklahoma.

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

22 There shall be no additional Oklahoma income tax imposed on
23 accumulated taxable income or on undistributed personal holding
24

1 company income as those terms are defined in the Internal Revenue
2 Code.

3 ~~F.~~ G. Certain foreign corporations. In lieu of the tax imposed
4 in the first paragraph of subsection ~~D~~ F of this section, for all
5 taxable years beginning after December 31, 2021, there shall be
6 imposed on foreign corporations, as defined in the Internal Revenue
7 Code, a tax of four percent (4%) instead of thirty percent (30%) as
8 used in the Internal Revenue Code, where such income is received
9 from sources within Oklahoma, in accordance with the provisions of
10 the Internal Revenue Code and the Oklahoma Income Tax Act.

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

1 subject to taxation, the total amount deducted and withheld as tax
2 and such other information as the Tax Commission may require. Any
3 payer who fails to withhold or pay to the Tax Commission any sums
4 herein required to be withheld or paid shall be personally and
5 individually liable therefor to the State of Oklahoma.

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

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

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SECTION 2. This act shall become effective January 1, 2025.

59-2-10755 MAH 03/11/24