

1 1. METHOD 1.

2 a. Single individuals and married individuals filing
3 separately not deducting federal income tax:

4 (1) 1/2% tax on first \$1,000.00 or part thereof,

5 (2) 1% tax on next \$1,500.00 or part thereof,

6 (3) 2% tax on next \$1,250.00 or part thereof,

7 (4) 3% tax on next \$1,150.00 or part thereof,

8 (5) 4% tax on next \$1,300.00 or part thereof,

9 (6) 5% tax on next \$1,500.00 or part thereof,

10 (7) 6% tax on next \$2,300.00 or part thereof, and

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

12 31, 1998, and before January 1, 2002, 6.75%

13 tax on the remainder,

14 (b) for taxable years beginning on or after

15 January 1, 2002, and before January 1, 2004,

16 7% tax on the remainder, and

17 (c) for taxable years beginning on or after

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

19 b. Married individuals filing jointly and surviving

20 spouse to the extent and in the manner that a

21 surviving spouse is permitted to file a joint return

22 under the provisions of the Internal Revenue Code and

23 heads of households as defined in the Internal Revenue

24 Code not deducting federal income tax:

- 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.

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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, ~~2022~~ 2024, a tax is hereby imposed upon the Oklahoma
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1 taxable income of every resident or nonresident individual, which
2 tax shall be computed as follows:

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

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

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

- 16 (a) 0.25% tax on first \$2,000.00 or part thereof,
- 17 (b) 0.75% tax on next \$3,000.00 or part thereof,
- 18 (c) 1.75% tax on next \$2,500.00 or part thereof,
- 19 (d) 2.75% tax on next \$2,300.00 or part thereof,
- 20 (e) 3.75% tax on next ~~\$2,400.00~~ \$4,600.00 or part thereof,
- 21 (f) 4.75% tax on the remainder.

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

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1 D. Nonresident aliens. In lieu of the rates set forth in
2 subsection A above, there shall be imposed on nonresident aliens, as
3 defined in the Internal Revenue Code, a tax of eight percent (8%)
4 instead of thirty percent (30%) as used in the Internal Revenue
5 Code, with respect to the Oklahoma taxable income of such
6 nonresident aliens as determined under the provision of the Oklahoma
7 Income Tax Act.

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

1 sums herein required to be withheld or paid shall be personally and
2 individually liable therefor to the State of Oklahoma.

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

8 There shall be no additional Oklahoma income tax imposed on
9 accumulated taxable income or on undistributed personal holding
10 company income as those terms are defined in the Internal Revenue
11 Code.

12 F. Certain foreign corporations. In lieu of the tax imposed in
13 the first paragraph of subsection D of this section, for all taxable
14 years beginning after December 31, 2021, there shall be imposed on
15 foreign corporations, as defined in the Internal Revenue Code, a tax
16 of four percent (4%) instead of thirty percent (30%) as used in the
17 Internal Revenue Code, where such income is received from sources
18 within Oklahoma, in accordance with the provisions of the Internal
19 Revenue Code and the Oklahoma Income Tax Act.

20 Every payer of amounts covered by this subsection shall deduct
21 and withhold from such amounts paid each payee an amount equal to
22 four percent (4%) thereof. Every payer required to deduct and
23 withhold taxes under this subsection shall for each quarterly period
24 on or before the last day of the month following the close of each

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

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

20 H. Tax rate tables. For all taxable years beginning after
21 December 31, 1991, in lieu of the tax imposed by subsection A, B or
22 C of this section, as applicable there is hereby imposed for each
23 taxable year on the taxable income of every individual, whose
24 taxable income for such taxable year does not exceed the ceiling

1 amount, a tax determined under tables, applicable to such taxable
2 year which shall be prescribed by the Tax Commission and which shall
3 be in such form as it determines appropriate. In the table so
4 prescribed, the amounts of the tax shall be computed on the basis of
5 the rates prescribed by subsection A, B or C of this section. For
6 purposes of this subsection, the term "ceiling amount" means, with
7 respect to any taxpayer, the amount determined by the Tax Commission
8 for the tax rate category in which such taxpayer falls.

9 SECTION 2. This act shall become effective January 1, 2024.

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COMMITTEE REPORT BY: COMMITTEE ON JOINT COMMITTEE ON APPROPRIATIONS
AND BUDGET, dated 05/23/2023 - DO PASS, As Amended.