

1 STATE OF OKLAHOMA

2 2nd Extraordinary Session of the 59th Legislature (2023)

3 HOUSE BILL 1013

By: Fugate

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 5011, which relates to sales tax
9 relief; modifying standard for eligibility; providing
10 for standard based upon free or reduced price
11 lunches; modifying sales tax credit amount;
12 prescribing formula for tax credit amount based upon
13 certain income determinations; and declaring an
14 emergency.

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

16 SECTION 1. AMENDATORY 68 O.S. 2021, Section 5011, is
17 amended to read as follows:

18 Section 5011. Eligibility for relief - Computation - Convicted
19 felons. A. Except as otherwise provided by this section, beginning
20 with the calendar year 1990 and for each calendar year through 1998,
21 and for calendar year 2003, any individual who is a resident of and
22 is domiciled in this state during the entire calendar year for which
23 the filing is made and whose gross household income for such year
24 does not exceed Twelve Thousand Dollars (\$12,000.00) may file a
claim for sales tax relief.

1 B. For calendar years 1999, 2002 and 2004, any individual who
2 is a resident of and is domiciled in this state during the entire
3 calendar year for which the filing is made may file a claim for
4 sales tax relief if the gross household income for such year does
5 not exceed the following amounts:

6 1. For an individual not subject to the provisions of paragraph
7 2 of this subsection and claiming no allowable personal exemption
8 other than the allowable personal exemption for that individual or
9 the spouse of that individual, Fifteen Thousand Dollars
10 (\$15,000.00); or

11 2. For an individual claiming one or more allowable personal
12 exemptions other than the allowable personal exemption for that
13 individual or the spouse of that individual, an individual with a
14 physical disability constituting a substantial handicap to
15 employment, or an individual who is sixty-five (65) years of age or
16 older at the close of the tax year, Thirty Thousand Dollars
17 (\$30,000.00).

18 C. For calendar years ~~2000, 2001, 2005 and following~~ prior to
19 2022, an individual who is a resident of and is domiciled in this
20 state during the entire calendar year for which the filing is made
21 may file a claim for sales tax relief if the gross household income
22 for such year does not exceed the following amounts:

23 1. For an individual not subject to the provisions of paragraph
24 2 of this subsection and claiming no allowable personal exemption

1 other than the allowable personal exemption for that individual or
2 the spouse of that individual, Twenty Thousand Dollars (\$20,000.00);
3 or

4 2. For an individual claiming one or more allowable personal
5 exemptions other than the allowable personal exemption for that
6 individual or the spouse of that individual, an individual with a
7 physical disability constituting a substantial handicap to
8 employment, or an individual who is sixty-five (65) years of age or
9 older at the close of the tax year, Fifty Thousand Dollars
10 (\$50,000.00).

11 D. For the 2022 income tax year and for each income tax year
12 thereafter, eligibility for the sales tax credit authorized by this
13 act shall be based upon the income standards used to determine
14 eligibility for free or reduced price school lunches pursuant to
15 federal law. The provisions of this subsection shall be applicable
16 to a person or persons whether or not the person or persons are the
17 parents of a child and shall only be used for purposes of
18 determining the income threshold for eligibility to claim the credit
19 authorized by this act.

20 E. The credit authorized by the provisions of this section may
21 be utilized by a taxpayer if the gross household income for the
22 applicable year does not exceed an amount which shall be computed as
23 the whole number three (3) multiplied by the dollar amount of the
24 limit prescribed by federal law for the free or reduced priced lunch

1 program based on family size subject to the adjustments to the
2 credit amount otherwise prescribed by this section.

3 F. For a taxpayer whose gross household income amount is not in
4 excess of the federal limit amount, the amount of the tax credit
5 authorized by this section shall be Five Hundred Dollars (\$500.00).

6 G. If a taxpayer's gross household income amount is in excess
7 of one hundred percent (100%) of the applicable federal limit but
8 not in excess of three hundred percent (300%) of the applicable
9 federal limit, the tax credit amount shall be reduced according to
10 the following formula:

11 1. Determine the applicable federal income limit based on
12 family size pursuant to the provisions of federal law, which for
13 purposes of this subsection shall be the "base amount";

14 2. Multiply the figure described in paragraph 1 by the whole
15 number three (3). This figure shall be defined as the "tripled base
16 amount";

17 3. Determine the amount of gross household income for the
18 taxpayer for the applicable year and subtract the applicable base
19 amount from the gross household income amount;

20 4. Subtract the base amount from the tripled base amount;

21 5. Divide the amount computed pursuant to paragraph 3 of this
22 subsection by the amount computed pursuant to paragraph 4 of this
23 subsection;

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1 6. Subtract the figure derived pursuant to paragraph 5 of this
2 subsection from the whole number one (1);

3 7. Multiply the figure derived pursuant to paragraph 6 of this
4 subsection by the amount of Five Hundred Dollars (\$500.00);

5 8. Subtract the result of the computation in paragraph 7 of
6 this subsection from Five Hundred Dollars (\$500.00). The result of
7 the computation shall be the amount of the tax credit allowed to the
8 taxpayer for the applicable period.

9 H. The Except as otherwise provided by this section, the amount
10 of the claim filed pursuant to the Sales Tax Relief Act shall be
11 ~~Fifty Dollars (\$40.00)~~ Five Hundred Dollars (\$500.00) multiplied by
12 the number of allowable personal exemptions. As used in the Sales
13 Tax Relief Act, "allowable personal exemption" means a personal
14 exemption to which the taxpayer would be entitled pursuant to the
15 provisions of the Oklahoma Income Tax Act, except for:

16 1. The exemptions such taxpayer would be entitled to pursuant
17 to Section 2358 of this title if such taxpayer or spouse is blind or
18 sixty-five (65) years of age or older at the close of the tax year;

19 2. An exemption for a person convicted of a felony if during
20 all or any part of the calendar year for which the claim is filed
21 such person was an inmate in the custody of the Department of
22 Corrections; or

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1 3. An exemption for a person if during all or any part of the
2 calendar year for which the claim is filed such person resided
3 outside of this state.

4 ~~F.~~ I. A person convicted of a felony shall not be permitted to
5 file a claim for sales tax relief pursuant to the provisions of
6 Sections 5010 through 5016 of this title for the period of time
7 during which the person is an inmate in the custody of the
8 Department of Corrections. Such period of time shall include the
9 entire calendar year if the person is in the custody of the
10 Department of Corrections during any part of the calendar year. The
11 provisions of this subsection shall not prohibit all other members
12 of the household of an inmate from filing a claim based upon the
13 personal exemptions to which the household members would be entitled
14 pursuant to the provisions of the Oklahoma Income Tax Act.

15 ~~F.~~ J. The Department of Corrections shall withhold up to fifty
16 percent (50%) of any money inmates receive for claims made pursuant
17 to the Sales Tax Relief Act prior to September 1, 1991, for costs of
18 incarceration.

19 ~~G.~~ K. For purposes of Section 139.105 of Title 17 of the
20 Oklahoma Statutes, the gross household income of any individual who
21 may file a claim for sales tax relief shall not exceed Twelve
22 Thousand Dollars (\$12,000.00).

23 SECTION 2. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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4 59-2EX-70006 MAH 10/02/23

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