

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2948

By: McCall

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; providing  
8 for deduction from taxable income computed pursuant  
9 to Oklahoma Income Tax Code for corporations;  
10 specifying amount of deduction; specifying taxable  
11 years for which deduction is authorized; prescribing  
12 procedures for election; providing certain exceptions  
13 related to subsidiaries; providing for codification;  
14 and providing an effective date.

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

16 SECTION 1. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 2358.CE-1 of Title 68, unless  
18 there is created a duplication in numbering, reads as follows:

19 For taxable years beginning on or after January 1, 2024, based  
20 upon an election as authorized by Section 2 of this act, there shall  
21 be deducted from the Oklahoma taxable income amount for any  
22 corporation subject to the levy of income tax imposed pursuant to  
23 Section 2355 of Title 68 of the Oklahoma Statutes or from the amount  
24 of income subject to the levy of tax imposed pursuant to Section  
2370 of Title 68 of the Oklahoma Statutes the following amounts:

1 1. Twenty percent (20%) of the total Oklahoma taxable income  
2 amount for a taxable year beginning after December 31, 2023, and  
3 before January 1, 2025;

4 2. Forty percent (40%) of the total Oklahoma taxable income  
5 amount for a taxable year beginning after December 31, 2024, and  
6 before January 1, 2026;

7 3. Sixty percent (60%) of the total Oklahoma taxable income  
8 amount for a taxable year beginning after December 31, 2025, and  
9 before January 1, 2027;

10 4. Eighty percent (80%) of the total Oklahoma taxable income  
11 amount for a taxable year beginning after December 31, 2026, and  
12 before January 1, 2028; and

13 5. One hundred percent (100%) of the total Oklahoma taxable  
14 income amount for any taxable year beginning on or after January 1,  
15 2028.

16 SECTION 2. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 2358.CE-2 of Title 68, unless  
18 there is created a duplication in numbering, reads as follows:

19 A. Not later than June 30, 2024, for entities in existence as  
20 of the effective date of this act, and not later than sixty (60)  
21 days after the formation of an entity subject to taxation pursuant  
22 to Section 2355 of Title 68 of the Oklahoma Statutes or subject to  
23 taxation pursuant to Section 2370 of Title 68 of the Oklahoma  
24 Statutes which occurs after the effective date of this act, a

1 taxpayer shall make an election, which shall be irrevocable, on such  
2 form as may be prescribed for such purpose by the Oklahoma Tax  
3 Commission, and except as otherwise provided by this section, to  
4 reduce taxable income as required pursuant to Section 1 of this act.

5 B. The irrevocable election authorized by subsection A of this  
6 section shall be binding upon any subsidiary entity of the taxpayer  
7 making such election unless otherwise provided by this section.

8 C. The irrevocable election otherwise prescribed by subsection  
9 A of this section shall not be binding with respect to an entity  
10 which was a subsidiary of an entity making such election during any  
11 period of time the former subsidiary was not acquired by any other  
12 entity.

13 D. If a former subsidiary of an entity making an election  
14 pursuant to subsection A of this section is acquired by another  
15 entity, the entity having acquired such former subsidiary shall be  
16 authorized to make an irrevocable election which is binding upon the  
17 former subsidiary of the previous entity.

18 SECTION 3. This act shall become effective January 1, 2024.

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