

1 **SENATE FLOOR VERSION**

2 March 5, 2025

3 **AS AMENDED**

4 SENATE BILL NO. 291

5 By: Pugh

6 [income tax credit - duties for the State Board of
7 Equalization - calculation - publish credit amount -
8 revenue failure - codification - effective date]
9

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

11 SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.103, is
12 amended to read as follows:

13 Section 34.103. A. In addition to any other duties prescribed
14 by law, at the meeting required by Section 23 of Article X of the
15 Oklahoma Constitution to be held in February of 2017, and at the
16 February meeting of the State Board of Equalization each year
17 thereafter, the State Board of Equalization shall certify:

18 1. For the revenue derived from the tax levied on oil pursuant
19 to Section 1001 of Title 68 of the Oklahoma Statutes, which would
20 otherwise be apportioned to the General Revenue Fund, the average
21 annual amount of actual revenue apportioned to the General Revenue
22 Fund for the immediately preceding five (5) complete fiscal years.
23 For any year after the first year during which a deposit to the
24 Revenue Stabilization Fund is made, the amount of any deposit to the

1 Revenue Stabilization Fund shall be disregarded for purposes of this
2 paragraph and the average shall be computed using the total amount
3 of revenue that was available to be apportioned to the General
4 Revenue Fund for the applicable period of time;

5 2. For the revenue derived from the tax levied on natural gas
6 pursuant to Section 1001 of Title 68 of the Oklahoma Statutes, which
7 would otherwise be apportioned to the General Revenue Fund, the
8 average annual amount of actual revenue apportioned to the General
9 Revenue Fund for the previous five (5) fiscal years. For any year
10 after the first year during which a deposit to the Revenue
11 Stabilization Fund is made, the amount of any deposit to the Revenue
12 Stabilization Fund shall be disregarded for purposes of this
13 paragraph and the average shall be computed using the total amount
14 of revenue that was available to be apportioned to the General
15 Revenue Fund for the applicable period of time; and

16 3. For the revenue derived from the corporate income tax levied
17 pursuant to Section 2355 of Title 68 the Oklahoma Statutes, which
18 would otherwise be apportioned to the General Revenue Fund, the
19 average annual amount of actual revenue apportioned to the General
20 Revenue Fund for the previous five (5) fiscal years. For any year
21 after the first year during which a deposit to the Revenue
22 Stabilization Fund is made, the amount of any deposit to the Revenue
23 Stabilization Fund shall be disregarded for purposes of this
24 paragraph and the average shall be computed using the total amount

1 of revenue that was available to be apportioned to the General
2 Revenue Fund for the applicable period of time.

3 B. If the amount of revenue available for apportionment to the
4 General Revenue Fund for the next ensuing fiscal year exceeds the
5 amounts certified pursuant to paragraph 1 or 2 of subsection A of
6 this section, with respect to each such revenue source, one hundred
7 percent (100%) of such amount in excess of the separately computed
8 five-year average, which would otherwise be apportioned to the
9 General Revenue Fund, shall be deposited to the credit of the
10 Revenue Stabilization Fund.

11 C. If the amount of revenue available for apportionment to the
12 General Revenue Fund for the next ensuing fiscal year exceeds the
13 amount certified pursuant to paragraph 3 of subsection A of this
14 section:

15 1. Twenty-five percent (25%) of such amount in excess of the
16 five-year average, which would otherwise be apportioned to the
17 General Revenue Fund, shall be deposited to the credit of the
18 Constitutional Reserve Fund unless such deposit would exceed the
19 maximum balance permitted pursuant to Section 23 of Article X of the
20 Oklahoma Constitution and in such case the amount in excess of the
21 maximum balance shall be deposited to the credit of the Revenue
22 Stabilization Fund; and

23 2. Seventy-five percent (75%) of such amount in excess of the
24 five-year average, which would otherwise be apportioned to the

1 General Revenue Fund, shall be deposited to the credit of the
2 Revenue Stabilization Fund, together with any amount required for
3 deposit pursuant to the provisions of paragraph 1 of this
4 subsection.

5 D. In addition to any other duties prescribed by law, at the
6 meeting required by Section 23 of Article X of the Oklahoma
7 Constitution to be held in February of 2026, and at the February
8 meeting of the State Board of Equalization each year thereafter, the
9 State Board of Equalization shall certify:

10 1. The percentage growth of the amounts available for
11 appropriation, pursuant to paragraph 1 of Section 23 of Article X of
12 the Oklahoma Constitution, for the ensuing fiscal year from the
13 current fiscal year, as certified by the Board during the previous
14 February meeting; and

15 2. If the percentage growth certified pursuant to paragraph 1
16 of this subsection exceeds ten percent (10%), the Board shall
17 certify the amount of revenues exceeding five (5) percentage points
18 of the growth certified for calculating the amount of tax credit
19 provided in Section 2 of this act.

20 SECTION 2. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 2357.207 of Title 68, unless
22 there is created a duplication in numbering, reads as follows:

23 A. For calendar years where the State Board of Equalization
24 certifies an amount pursuant to paragraph 2 of subsection D of

1 Section 34.103 of Title 62 of the Oklahoma Statutes, for the
2 corresponding tax year, there shall be allowed a refundable credit
3 against the tax imposed pursuant to Section 2355 of Title 68 of the
4 Oklahoma Statutes in an amount, rounded to the nearest whole dollar,
5 to be calculated by the Oklahoma Tax Commission by taking the amount
6 certified by the Board pursuant to paragraph 2 of subsection D of
7 Section 34.103 of Title 62 of the Oklahoma Statutes and dividing by
8 the summation of the following:

9 1. The number of individual, married filing separate, surviving
10 spouse, and head of household state personal income tax returns
11 filed in the second preceding tax year, multiplied by the number one
12 and five thousandths (1.005); and

13 2. The number of married filing jointly state personal income
14 tax returns filed in the second preceding tax year, multiplied by
15 the number two and one hundredths (2.01).

16 B. The credit amount calculated by the Commission as provided
17 in subsection A of this section shall be doubled for those married
18 filing jointly.

19 C. Within forty-five (45) days of the Board certifying an
20 amount pursuant to paragraph 2 of subsection D of Section 34.103 of
21 Title 62 of the Oklahoma Statutes, the Commission shall publish on
22 its website the amount of tax credit calculated pursuant to
23 subsection A of this section.

24

1 D. If a revenue failure is declared pursuant to the provisions
2 of Section 34.49 of Title 62 of the Oklahoma Statutes prior to
3 November 1 of the calendar year corresponding to the tax year in
4 which a tax credit is provided pursuant to this section, the tax
5 credit shall not be provided for that tax year.

6 SECTION 3. This act shall become effective November 1, 2025.

7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
8 March 5, 2025 - DO PASS AS AMENDED
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