An Act relating to income tax rates; amending Section 5, Chapter 195, O.S.L. 2014 (68 O.S. Supp. 2015, Section 2355.1G), which relates to changes in the top marginal individual income tax rate; modifying procedure and methodology for certain determination by State Board of Equalization; defining term; and providing an effective date.

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

SECTION 1. AMENDATORY Section 5, Chapter 195, O.S.L. 2014 (68 O.S. Supp. 2015, Section 2355.1G), is amended to read as follows:

Section 2355.1G. A. The provisions of this section shall be applicable with respect to the implementation of the four and eighty-five hundredths percent (4.85%) top marginal rate of individual income tax otherwise authorized pursuant to the provisions of subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title, which shall be contingent upon a determination by the State Board of Equalization made by a comparison of the revenue computations
described by this section which shall be conducted until the income
tax rate of four and eighty-five hundredths percent (4.85%) is
effective.

B. In addition to any other duties prescribed by law, at the
meeting required by paragraph 1 of Section 23 of Article X of the
Oklahoma Constitution to be held in December of the year in which
the five percent (5%) top marginal income tax rate prescribed by
subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
2355 of Title 68 of the Oklahoma Statutes this title becomes
effective, and for any subsequent December meeting of the State
Board of Equalization, if the four and eighty-five hundredths
percent (4.85%) top marginal income tax rate prescribed by
subparagraph (f) of paragraphs 1 and 2 of subsection C of Section
2355 of Title 68 of the Oklahoma Statutes this title has not become
effective, the State Board of Equalization shall determine:

1. The if the amount of estimated revenue growth in the General
Revenue Fund of the State Treasury the proposed expenditure
authority for the fiscal year beginning on the next ensuing July 1;
and

2. The amount by which the income tax revenue for the tax year
which will begin on the second January 1 following such December
meeting is estimated to be reduced by a fifteen hundredths percent
(0.15%) decrease in the top marginal income tax rate, in order for a
top marginal income tax rate of four and eighty-five hundredths
percent (4.85%) to be effective is in excess of the threshold amount of Seven Billion Two Hundred Fifty Million Dollars ($7,250,000,000.00).

If the amount determined pursuant to the provisions of paragraph 1 of this subsection is equal to or greater than the amount determined pursuant to the provisions of paragraph 2 of this subsection is in excess of the threshold amount of Seven Billion Two Hundred Fifty Million Dollars ($7,250,000,000.00), the Board shall make a preliminary finding that the Board anticipates that a finding will be made at the February meeting immediately subsequent to the December meeting that the revenue computations threshold amount required by this section will authorize the implementation of the four and eighty-five hundredths percent (4.85%) top marginal rate pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title beginning on the second January 1 following the December meeting.

If the amount determined pursuant to the provisions of paragraph 1 of this subsection is less than the amount determined pursuant to the provisions of paragraph 2 of this subsection is not in excess of the threshold amount of Seven Billion Two Hundred Fifty Million Dollars ($7,250,000,000.00), the Board shall make a preliminary finding that the Board anticipates that a finding will be made at the February meeting immediately subsequent to the December meeting that the revenue computations threshold amount required by this
section will not be achieved and therefore will not authorize the implementation of the four and eighty-five hundredths percent (4.85%) top marginal income tax rate subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title beginning on the second January 1 following the December meeting.

C. In addition to any other duties prescribed by law, at the meeting required by paragraph 3 of Section 23 of Article X of the Oklahoma Constitution to be held in February following the year in which the five percent (5%) top marginal income tax rate prescribed by subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title becomes effective, and for any subsequent February meeting of the State Board of Equalization, if the four and eighty-five hundredths percent (4.85%) top marginal income tax rate prescribed by subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title has not become effective, the State Board of Equalization shall determine:

1. The if the amount of estimated revenue growth in the General Revenue Fund of the State Treasury the proposed expenditure authority for the fiscal year beginning on the next ensuing July 1; and

2. The amount by which the income tax revenue for the tax year which will begin on the January 1 immediately following the February
meeting is estimated to be reduced by a fifteen hundredths percent (.15%) decrease in the top marginal income tax rate, in order for a top marginal income tax rate of four and eighty-five hundredths percent (4.85%) to be effective is in excess of the threshold amount of Seven Billion Two Hundred Fifty Million Dollars ($7,250,000,000.00).

If the amount determined pursuant to the provisions of paragraph 1 of this subsection is equal to or greater than the amount determined pursuant to the provisions of paragraph 2 of this subsection is in excess of the threshold amount of Seven Billion Two Hundred Fifty Million Dollars ($7,250,000,000.00), the Board shall make a finding that the revenue computations threshold amount required by this section will authorize the implementation of the four and eighty-five hundredths percent (4.85%) top marginal income tax rate pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title beginning on the January 1 immediately following the February meeting and the Board shall recertify the proposed expenditure authority accordingly.

If the amount determined pursuant to the provisions of paragraph 1 of this subsection is less than the amount determined pursuant to the provisions of paragraph 2 of this subsection is not in excess of the threshold amount of Seven Billion Two Hundred Fifty Million Dollars ($7,250,000,000.00), the Board shall make a finding that the
revenue computations threshold amount required by this section do will not be achieved and therefore will not authorize the implementation of the four and eighty-five hundredths percent (4.85%) top marginal income tax rate pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title beginning with the January 1 immediately following the February meeting.

D. If the Board makes a finding that the revenue computations threshold amount required by this section do not authorize the will not result in implementation of the four and eighty-five hundredths percent (4.85%) top marginal income tax rate pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title beginning with calendar year 2018 pursuant to the provisions of subsection C of this section, the procedures prescribed by subsection A, subsection B, and subsection C of this section shall be repeated by the State Board of Equalization for each successive two-year comparison determination. Once the four and eighty-five hundredths percent (4.85%) top marginal income tax rate otherwise authorized pursuant to subparagraph (f) of paragraphs 1 and 2 of subsection C of Section 2355 of Title 68 of the Oklahoma Statutes this title has been implemented, such income tax rate shall be in effect for all subsequent tax years.
E. For purposes of this section "proposed expenditure authority" represents the total amount available for the Legislature to spend, including:

1. Estimated amounts from certified funds subject to the ninety-five percent (95%) limit provided for in Section 23 of Article X of the Oklahoma Constitution and cash available in those funds from any prior years;


SECTION 2. This act shall become effective November 1, 2016.
Passed the Senate the 25th day of May, 2016.

Presiding Officer of the Senate

Passed the House of Representatives the ___ day of ________, 2016.

Presiding Officer of the House of Representatives