

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1500

By: Rader

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5
6 AS INTRODUCED

7 An Act relating to income tax; amending 68 O.S. 2021,
8 Section 2362, which relates to nonresident taxable
9 income; excluding certain compensation of certain
10 nonresidents; and providing an effective date.

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

12 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2362, is
13 amended to read as follows:

14 Section 2362. A. For tax years beginning on or after January
15 1, 1994, the Oklahoma taxable income of a part-year resident
16 individual, nonresident individual, a nonresident trust, and a
17 nonresident estate shall be calculated following the provisions of
18 Section 2358 of this title as if all income were earned in Oklahoma.

19 B. Using Oklahoma income tax rates, part-year resident
20 individuals, nonresident individuals, nonresident trusts, and
21 nonresident estates shall compute their tax liability on the amount
22 computed in the preceding paragraph.

23 C. From the liability computed there shall be deducted all
24 allowable credits to determine the amount of tax due.

1 D. Part-year resident individuals, nonresident individuals,
2 nonresident trusts, and nonresident estates shall divide adjusted
3 gross income from Oklahoma sources by the adjusted gross income from
4 all sources to arrive at the applicable percentage that Oklahoma
5 adjusted gross income represents of all adjusted income received by
6 the taxpayer in the income year.

7 E. Part-year resident individuals, nonresident individuals,
8 nonresident trusts, and nonresident estates shall multiply the
9 amount of Oklahoma tax computed by the applicable percentage
10 calculated in the preceding paragraph in order to determine the
11 amount of income tax which must be paid to the State of Oklahoma.
12 Nothing in this section shall be construed to allow for greater than
13 one hundred percent (100%) of a taxpayer's income to be taxed.

14 F. For purposes of determining the adjusted gross income from
15 Oklahoma, the following shall be includable:

16 1. The ownership of any interest in real or tangible personal
17 property in this state;

18 2. A business, trade, profession, or occupation carried on in
19 this state or compensation for services performed in this state;
20 provided, for tax year 2025 and subsequent tax years, nonresidents
21 located within this state for less than thirty (30) days, whose
22 total compensation does not exceed Twenty Thousand Dollars
23 (\$20,000.00), in the performance of a business, trade, profession,
24 occupation, or service performed shall not be includable;

1 3. A business, trade, profession, or occupation carried on or
2 compensation for services performed partly within and partly without
3 this state to the extent allocable and apportionable to Oklahoma as
4 determined under Section 2358 of this title; provided, for tax year
5 2025 and subsequent tax years, nonresidents located within this
6 state for less than thirty (30) days, whose total compensation does
7 not exceed Twenty Thousand Dollars (\$20,000.00), in the performance
8 of a business, trade, profession, occupation, or service performed
9 shall not be includable;

10 4. The distributive share of the Oklahoma part of partnership
11 income, gains, losses, or deductions;

12 5. The distributive share of the Oklahoma part of estate or
13 trust income, gains, losses, or deductions;

14 6. Income from intangible personal property, including
15 annuities, dividends, interest, and gains from the disposition of
16 intangible personal property to the extent that such income is from
17 property employed in a trade, business, profession, or occupation
18 carried on in Oklahoma. A part-year resident individual,
19 nonresident individual, nonresident trust or nonresident estate,
20 other than a dealer holding property primarily for sale to customers
21 in the ordinary course of trade or business, shall not be deemed to
22 carry on a business, trade, profession, or occupation in Oklahoma
23 solely by reason of the purchase and sale of property for its own
24 account;

1 7. The distributive share of the Oklahoma taxable income or
2 loss of a corporation defined in subchapter S of the Internal
3 Revenue Code, 26 U.S.C., Section 1361 et seq.;

4 8. Income received from all sources of wagering, games of
5 chance, or any other winnings from sources within this state.
6 Proceeds which are not money shall be taken into account at their
7 fair market value; and

8 9. The distributive share of the Oklahoma part of limited
9 liability company income, gains, losses, or deductions.

10 SECTION 2. This act shall become effective November 1, 2024.

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