

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 HOUSE BILL 2439

By: Brown

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; defining  
8 terms; requiring existing tax credits to be submitted  
9 to vote of the people for continued authorization;  
10 prescribing procedures; providing for gist of  
11 proposition for purposes of ballot; imposing  
12 requirements for legislation authorizing tax credits;  
13 requiring authorization for new tax credits to be  
14 submitted to a vote of the people; prescribing  
15 procedures; providing for gist of ballot proposition;  
16 providing for codification; providing an effective  
17 date; and declaring an emergency.

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

21 SECTION 1. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 2357.900 of Title 68, unless  
23 there is created a duplication in numbering, reads as follows:

24 A. As used in this section "existing tax credit" means any  
statutory authorization:

1. Pursuant to which a gross state tax liability can be reduced  
to a lesser amount for a net state tax liability;

1           2. Pursuant to which a tax credit may be claimed by a business  
2 entity but not by an individual unless the credit is allocated  
3 pursuant to a pass-through tax treatment; and

4           3. Enacted as law and effective as of July 1, 2016.

5           B. Any existing tax credit shall cease to have the force and  
6 effect of law if it fails to receive a majority vote at a General  
7 Election ballot. Existing tax credits shall be subject to approval  
8 beginning with the General Election to be held in November 2016 and  
9 at each succeeding General Election thereafter.

10          C. If any existing tax credit expires by operation of law or if  
11 the statutory provisions which create the tax credit are repealed,  
12 if that tax credit or a substantially similar tax credit is allowed  
13 at any time after such expiration or after the effective date of the  
14 repeal, the legislation authorizing or reauthorizing such tax credit  
15 shall be subject to approval by a vote of the people beginning with  
16 the General Election to be held in November 2016 and at each General  
17 Election held in November thereafter.

18          D. The continuation of each existing, expired or previously  
19 repealed tax credit shall be a separate question on the ballot. The  
20 Oklahoma Tax Commission and the Oklahoma Insurance Department shall  
21 provide a list of tax credits in effect as of the date of each  
22 General Election to the State Election Board, and the State Election  
23 Board shall prepare a separate question for the continuation of each  
24

1 tax credit. The gist of each proposition shall be in the following  
2 form:

3 "SHALL THE [insert citation and narrative description of tax  
4 credit] CONTINUE TO BE AUTHORIZED UNTIL THE DATE OF THE NEXT GENERAL  
5 ELECTION TO BE HELD IN NOVEMBER [insert year]?"

6 E. If a majority of the votes cast upon the question at the  
7 General Election are in the affirmative, the tax credit may continue  
8 to be used until the next succeeding November General Election date.

9 F. If a majority of the votes cast upon the question at the  
10 General Election are in the negative, the tax credit shall no longer  
11 be effective as law, except with respect to the allowance of tax  
12 credits in carryover periods, if the credit was earned prior to the  
13 date of the General Election.

14 G. On and after July 1, 2016, if the Legislature proposes a new  
15 tax credit, the legislation for the enactment of such tax credit  
16 shall contain a referendum clause and shall be submitted to a vote  
17 of the people at the General Election which occurs immediately  
18 succeeding the sine die adjournment of the legislative session at  
19 which the proposed tax credit is passed by a majority vote of those  
20 members elected to and constituting both the Oklahoma House of  
21 Representatives and the Oklahoma State Senate. The gist of the  
22 proposition shall be as follows:

23 "SHALL THE [insert description of tax credit as contained in  
24 Enrolled House/Senate measure number \_\_\_\_\_ of the 1st/2nd

1 Regular/Extraordinary Session of the \_\_\_rd/th Oklahoma Legislature]  
2 BE APPROVED BY THE PEOPLE AND REMAIN IN EFFECT UNTIL THE TAX CREDIT  
3 FAILS TO RECEIVE REQUIRED APPROVAL IN THE MANNER PRESCRIBED BY LAW  
4 AT A SUCCEEDING GENERAL ELECTION BALLOT?"

5 SECTION 2. This act shall become effective July 1, 2016.

6 SECTION 3. It being immediately necessary for the preservation  
7 of the public peace, health and safety, an emergency is hereby  
8 declared to exist, by reason whereof this act shall take effect and  
9 be in full force from and after its passage and approval.

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