

1 STATE OF OKLAHOMA

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

3 HOUSE JOINT
4 RESOLUTION 1060

By: McCullough

7 AS INTRODUCED

8 A Joint Resolution directing the Secretary of State
9 to refer to the people for their approval or
10 rejection a proposed amendment to the Constitution of
11 the State of Oklahoma by adding a new Section 55 to
12 Article X; providing for authority of Legislature to
13 enact consumer sales tax levy on services;
14 prescribing method for computation of levy amount;
15 prohibiting enactment of sales tax increase with
16 respect to sale or lease of tangible personal
17 property; requiring elimination of income tax on
18 corporations based upon certain legislative
19 enactment; providing for maximum rate of income tax
20 for individuals based upon certain legislative
21 enactment; providing ballot title; and directing
22 filing.

23 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
24 2ND SESSION OF THE 55TH OKLAHOMA LEGISLATURE:

SECTION 1. The Secretary of State shall refer to the people for
their approval or rejection, as and in the manner provided by law,
the following proposed amendment to the Constitution of the State of
Oklahoma by adding a new Section 55 to Article X thereof, to read as
follows:

1 A. The Legislature shall be authorized to enact laws for the
2 imposition of a consumer sales tax on services in an amount not to
3 exceed a rate which would offset the loss of revenues derived from
4 repeal of the income tax imposed upon corporations and which would
5 also offset the loss of revenue attributable to modification of the
6 rate structure for the income tax imposed upon individuals assuming
7 that all personal exemptions and deductions were to be eliminated
8 and a flat income tax rate of three percent (3.0%) were imposed on
9 the federal adjusted gross income of individuals.

10 B. The tax authorized by subsection A of this section shall not
11 be imposed on the sale or lease of any tangible personal property

12 C. Upon the effective date of the enactment of the legislation
13 described in subsection A of this section, the income tax imposed on
14 corporations shall no longer be levied.

15 D. Upon the effective date of the enactment of the legislation
16 described in subsection A of this section, the maximum rate of
17 income tax that may be imposed on individuals shall be three percent
18 (3.0%). The amount of income subject to the three-percent rate
19 would be based on federal adjusted gross income. No personal
20 exemptions or deductions would be allowed for individuals on the
21 state income tax return.

22 SECTION 2. The Ballot Title for the proposed Constitutional
23 amendment as set forth in SECTION 1 of this resolution shall be in
24 the following form:

BALLOT TITLE

Legislative Referendum No. _____ State Question No. _____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends the Oklahoma Constitution. It would add a new Section 55 to Article 10. It would allow the Legislature to enact a sales tax increase on services. The sales tax increase could not apply to the sale or lease of personal property. The sales tax increase would offset two kinds of revenue losses. The sales tax rate would offset revenues lost when the state repeals its corporate income tax. The sales tax rate would offset revenues lost when the state modifies the personal income tax. The personal income tax rate would be no higher than three percent (3%). Personal exemptions and deductions for individual income tax would be eliminated. The Legislature would be required to enact certain changes in state tax laws. The changes in the tax laws would be consistent with the requirements of this amendment to the Oklahoma Constitution.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL - YES _____

AGAINST THE PROPOSAL - NO _____

SECTION 3. The Chief Clerk of the House of Representatives, immediately after the passage of this resolution, shall prepare and file one copy thereof, including the Ballot Title set forth in

1 SECTION 2 hereof, with the Secretary of State and one copy with the
2 Attorney General.

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