

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 932

By: David

4
5
6 AS INTRODUCED

7 An Act relating to income tax; amending 68 O.S. 2011,
8 Section 2359, as amended by Section 4, Chapter 320,
9 O.S.L. 2019 (68 O.S. Supp. 2020, Section 2359), which
10 relates to income tax exemption; excluding certain
11 private hospitals from income tax exemption; and
12 providing an effective date.

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

14 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2359, as
15 amended by Section 4, Chapter 320, O.S.L. 2019 (68 O.S. Supp. 2020,
16 Section 2359), is amended to read as follows:

17 Section 2359. A. A person or organization exempt from federal
18 income taxation under the provisions of the Internal Revenue Code
19 shall also be exempt from the tax imposed by Section 2351 et seq. of
20 this title in each year in which such person or organization
21 satisfies the requirements of the Internal Revenue Code for
22 exemption from federal income taxation. If the exemption applicable
23 to any person or organization under the provisions of the Internal
24 Revenue Code is limited or qualified in any manner, the exemption
from taxes imposed by this article shall be limited or qualified in

1 a similar manner. The exemption provided in this subsection shall
2 not apply to a private hospital as defined in Section 1-701 of Title
3 63 of the Oklahoma Statutes.

4 B. Notwithstanding the provisions of subsection A of this
5 section, the unrelated business taxable income or other income
6 subject to tax, as computed under the provisions of the Internal
7 Revenue Code, of any person or organization exempt from the tax
8 imposed by Section 2351 et seq. of this title and subject to the tax
9 imposed on such income by the Internal Revenue Code shall be subject
10 to the tax which would have been imposed by ~~this act~~ the Oklahoma
11 Income Tax Act but for the provisions of subsection A of this
12 section.

13 C. Insurance companies paying, during or for the taxable year,
14 a tax to this state on gross premium income shall be exempt from the
15 provisions of this article and the taxes levied thereby.

16 D. Royalty earned by an inventor from products developed and
17 manufactured in this state shall be exempt from the tax imposed by
18 Section 2355 of this title for a seven-year period, pursuant to the
19 provisions of Section 5064.7 of Title 74 of the Oklahoma Statutes.

20 E. Tenants of small business incubators shall be exempt for the
21 tax imposed by Section 2355 of this title, pursuant to the
22 provisions of Section 5078 of Title 74 of the Oklahoma Statutes.

23 SECTION 2. This act shall become effective November 1, 2021.

24 58-1-1073 QD 1/21/2021 5:46:57 PM