

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 38

By: Coleman

6 AS INTRODUCED

7 An Act relating to sales and use tax; amending 68
8 O.S. 2021, Sections 1353, as last amended by Section
9 4, Chapter 441, O.S.L. 2024, and 1403 (68 O.S. Supp.
10 2024, Section 1353), which relate to apportionment of
revenues; modifying certain apportionment for certain
fiscal years; updating statutory reference; providing
an effective date; and declaring an emergency.

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

13 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1353, as
14 last amended by Section 4, Chapter 441, O.S.L. 2024 (68 O.S. Supp.
15 2024, Section 1353), is amended to read as follows:

16 Section 1353. A. It is hereby declared to be the purpose of
the Oklahoma Sales Tax Code to provide funds for the financing of
17 the program provided for by the Oklahoma Social Security Act and to
provide revenues for the support of the functions of the state
18 government of Oklahoma, and for this purpose it is hereby expressly
provided that, revenues derived pursuant to the provisions of the
19 Oklahoma Sales Tax Code, subject to the apportionment requirements
20 for the Oklahoma Tax Commission and Office of Management and
21

Enterprise Services Joint Computer Enhancement Fund provided by
Section 265 of this title, and further subject to the apportionment
requirement provided in subsection D of this section, shall be
apportioned as follows:

1. Except as provided in subsection C of this section, the
following amounts shall be paid to the State Treasurer to be placed
to the credit of the General Revenue Fund to be paid out pursuant to
direct appropriation by the Legislature:

| Fiscal Year | Amount |
|---|---------|
| FY 2003 and FY 2004 | 86.04% |
| FY 2005 | 85.83% |
| FY 2006 | 85.54% |
| FY 2007 | 85.04% |
| FY 2008 through FY 2022 | 83.61% |
| FY 2023 through FY 2027 | 83.36% |
| FY 2028 and each fiscal year thereafter | 83.61%; |

2. The following amounts shall be paid to the State Treasurer
to be placed to the credit of the Education Reform Revolving Fund of
the State Department of Education:

- a. for FY 2003, FY 2004 and FY 2005, ten and forty-two
one-hundredths percent (10.42%),
- b. for FY 2006 through FY 2020, ten and forty-six one-
hundredths percent (10.46%),
- c. for FY 2021:

(1) for the month beginning July 1, 2020, through the month ending August 31, 2020, ten and forty-six one-hundredths percent (10.46%), and

(2) for the month beginning September 1, 2020,
through the month ending June 30, 2021, eleven
and ninety-six one-hundredths percent (11.96%),
and

d. for FY 2022 and each fiscal year thereafter, ten and forty-six one-hundredths percent (10.46%);

3. The following amounts shall be paid to the State Treasurer

to be placed to the credit of the Teachers' Retirement System

Dedicated Revenue Revolving Fund:

Fiscal Year **Amount**

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for the month beginning July

1, 2020, through the month

ending August 31, 2020

b. for the month beginning

September 1, 2020, through

the month ending June 30,

2021 3.5%

FY 2022 5.0%

FY 2023 through FY 2027 5.25%

FY 2028 and each fiscal year thereafter 5.0%;

4. a. except as otherwise provided in subparagraph b of this paragraph, for the fiscal year beginning July 1, 2022, and for each fiscal year thereafter, eighty-seven one-hundredths percent (0.87%) shall be paid to the State Treasurer to be further apportioned as follows:

(1) twenty-four percent (24%) shall be placed to the credit of the Oklahoma Tourism Promotion Revolving Fund, but in no event shall such apportionment exceed Five Million Dollars (\$5,000,000.00) in any fiscal year.

(2) forty-four percent (44%) shall be placed to the credit of the Oklahoma Tourism Capital Improvement Revolving Fund, but in no event shall such apportionment exceed Nine Million Dollars (\$9,000,000.00) in any fiscal year and

(3) thirty-two percent (32%) shall be placed to the credit of the Oklahoma Route 66 Commission Revolving Fund, but in no event shall such apportionment exceed Six Million Six Hundred

Thousand Dollars (\$6,600,000.00) in any fiscal year, and

b. any amounts which exceed the limitations of subparagraph a of this paragraph shall be placed to the credit of the General Revenue Fund; and

5. For the fiscal year beginning July 1, 2015, and for each fiscal year thereafter fiscal years 2016 through 2025, six one-hundredths percent (0.06%) shall be placed to the credit of the Oklahoma Historical Society Capital Improvement and Operations Revolving Fund, but in no event shall such apportionment exceed the total amount apportioned pursuant to this paragraph for the fiscal year ending on June 30, 2015. For fiscal year 2026 and subsequent fiscal years, six one-hundredths percent (0.06%) shall be placed to the credit of the Oklahoma Historical Society Capital Improvement and Operations Revolving Fund, but in no event shall the apportionment exceed One Million Eight Hundred Eighty Thousand Five Hundred Fifty-three Dollars and twenty-five cents (\$1,880,553.25).

Any amounts which exceed the limitations of this paragraph shall be placed to the credit of the General Revenue Fund.

B. Provided, for the fiscal year beginning July 1, 2007, and

every fiscal year thereafter, an amount of revenue shall be apportioned to each municipality or county which levies a sales tax subject to the provisions of Section 1357.10 of this title and subsection F of Section 2701 of this title equal to the amount of

1 sales tax revenue of such municipality or county exempted by the
2 provisions of Section 1357.10 of this title and subsection F of
3 Section 2701 of this title. The Oklahoma Tax Commission shall
4 promulgate and adopt rules necessary to implement the provisions of
5 this subsection.

6 C. From the monies that would otherwise be apportioned to the
7 General Revenue Fund pursuant to subsection A of this section, there
8 shall be apportioned the following amounts:

9 1. For the month ending August 31, 2019:

10 a. Nine Million Six Hundred Thousand Dollars
11 (\$9,600,000.00) to the credit of the State Highway
12 Construction and Maintenance Fund created in Section
13 1501 of Title 69 of the Oklahoma Statutes, and
14 b. Two Million Dollars (\$2,000,000.00) to the credit of
15 the Oklahoma Railroad Maintenance Revolving Fund
16 created in Section 309 of Title 66 of the Oklahoma
17 Statutes;

18 2. For the month ending September 30, 2019:

19 a. Twenty Million Dollars (\$20,000,000.00) to the credit
20 of the State Highway Construction and Maintenance Fund
21 created in Section 1501 of Title 69 of the Oklahoma
22 Statutes, and
23 b. Two Million Dollars (\$2,000,000.00) to the credit of
24 the Oklahoma Railroad Maintenance Revolving Fund

1 created in Section 309 of Title 66 of the Oklahoma
2 Statutes;

3 3. For the month ending October 31, 2019:

- 4 a. Twenty Million Dollars (\$20,000,000.00) to the credit
5 of the State Highway Construction and Maintenance Fund
6 created in Section 1501 of Title 69 of the Oklahoma
7 Statutes, and
8 b. Two Million Dollars (\$2,000,000.00) to the credit of
9 the Oklahoma Railroad Maintenance Revolving Fund
10 created in Section 309 of Title 66 of the Oklahoma
11 Statutes;

12 4. For the month ending November 30, 2019:

- 13 a. Twenty Million Dollars (\$20,000,000.00) to the credit
14 of the State Highway Construction and Maintenance Fund
15 created in Section 1501 of Title 69 of the Oklahoma
16 Statutes, and
17 b. Two Million Dollars (\$2,000,000.00) to the credit of
18 the Oklahoma Railroad Maintenance Revolving Fund
19 created in Section 309 of Title 66 of the Oklahoma
20 Statutes; and

21 5. For the month ending December 31, 2019:

- 22 a. Twenty Million Dollars (\$20,000,000.00) to the credit
23 of the State Highway Construction and Maintenance Fund
24

1 created in Section 1501 of Title 69 of the Oklahoma
2 Statutes, and

3 b. Two Million Dollars (\$2,000,000.00) to the credit of
4 the Oklahoma Railroad Maintenance Revolving Fund
5 created in Section 309 of Title 66 of the Oklahoma
6 Statutes.

7 D. For fiscal year 2029, and each subsequent fiscal year, Fifty
8 Million Dollars (\$50,000,000.00) shall be placed to the credit of
9 the Oklahoma Capital Assets Maintenance and Protection Fund created
10 in Section 2 188B of ~~this act~~ Title 73 of the Oklahoma Statutes.

11 SECTION 2. AMENDATORY 68 O.S. 2021, Section 1403, is
12 amended to read as follows:

13 Section 1403. A. It is hereby declared to be the purpose of
14 Section 1401 et seq. of this title to provide for the support of the
15 functions of the state and local government of Oklahoma; and for
16 this purpose and to this end, it is hereby expressly provided that
17 the revenues derived hereunder, subject to the apportionment
18 provided in subsection B of this section and to the apportionment
19 requirements for the Oklahoma Tax Commission and Office of
20 Management and Enterprise Services Joint Computer Enhancement Fund
21 provided by Section 265 of this title, are hereby apportioned as
22 follows:

23 1. The following amounts shall be paid by the Tax Commission to
24 the State Treasurer and placed to the credit of the General Revenue

Fund to be paid out pursuant to direct appropriation by the Legislature:

| Fiscal Year | Amount |
|---|---------|
| FY 2004 | 85.35% |
| FY 2005 | 85.14% |
| FY 2006 | 85.54% |
| FY 2007 | 85.04% |
| FY 2008 through FY 2022 | 83.61% |
| FY 2023 through FY 2027 | 83.36% |
| FY 2028 and each fiscal year thereafter | 83.61%, |

2. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education:

a. for FY 2020, ten and forty-six one-hundredths percent
(10.46%).

b. for FY 2021:

(1) for the month beginning July 1, 2020, through the month ending August 31, 2020, ten and forty-six one-hundredths percent (10.46%), and

(2) for the month beginning September 1, 2020,

through the month ending June 30, 2021, eleven
and ninety-six one-hundredths percent (11.96%),
and

c. for FY 2022 and each fiscal year thereafter, ten and forty-six one-hundredths percent (10.46%);

3. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

| Fiscal Year | Amount |
|-------------------------|--------|
| FY 2003 and FY 2004 | 3.54% |
| FY 2005 | 3.75% |
| FY 2006 | 4.0% |
| FY 2007 | 4.5% |
| FY 2008 through FY 2020 | 5.0% |

FY 2021:

a. for the month beginning July 1, 2020, through the month ending August 31, 2020

b. for the month beginning
September 1, 2020, through
the month ending June 30,
2021

FY 2022 5.0%

FY 2023 through FY 2027 5.25%

FY 2028 and each fiscal year thereafter 5.0%;

4. a. except as otherwise provided in subparagraph b of this paragraph, for the fiscal year beginning July 1, 2015.

1 and for each fiscal year thereafter, eighty-seven one-
2 hundredths percent (0.87%) shall be paid to the State
3 Treasurer to be further apportioned as follows:

4 (1) thirty-six percent (36%) shall be placed to the
5 credit of the Oklahoma Tourism Promotion
6 Revolving Fund, but in no event shall such
7 apportionment exceed the total amount apportioned
8 pursuant to this division for the fiscal year
9 ending on June 30, 2015, and

10 (2) sixty-four percent (64%) shall be placed to the
11 credit of the Oklahoma Tourism Capital
12 Improvement Revolving Fund, but in no event shall
13 such apportionment exceed the total amount
14 apportioned pursuant to this division for the
15 fiscal year ending on June 30, 2015, and

16 b. any amounts which exceed the limitations of
17 subparagraph a of this paragraph shall be placed to
18 the credit of the General Revenue Fund; and

19 5. For ~~the fiscal year beginning July 1, 2015, and for each~~
20 ~~fiscal year thereafter~~ fiscal years 2016 through 2025, six one-
21 hundredths percent (0.06%) shall be placed to the credit of the
22 Oklahoma Historical Society Capital Improvement and Operations
23 Revolving Fund, but in no event shall such apportionment exceed the
24 total amount apportioned pursuant to this paragraph for the fiscal

year ending on June 30, 2015. For fiscal year 2026 and subsequent fiscal years, six one-hundredths percent (0.06%) shall be placed to the credit of the Oklahoma Historical Society Capital Improvement and Operations Revolving Fund, but in no event shall the apportionment exceed Three Hundred Seventy Thousand Two Hundred Seventy-four Dollars and forty-three cents (\$370,274.43). Any amounts which exceed the limitations of this paragraph shall be placed to the credit of the General Revenue Fund.

B. Prior to the apportionments otherwise provided in this section, there shall be apportioned to the Education Reform Revolving Fund of the State Department of Education the following amounts in the following state fiscal years:

FY 2019 \$19,600,000.00; and

FY 2020 and each year thereafter \$20,500,000.00.

SECTION 3. This act shall become effective July 1, 2025.

SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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