

1 ENGROSSED SENATE  
2 BILL NO. 291

3 By: Pugh and Jech of the Senate

4 and

5 Kendrix of the House

6 [ income tax credit - duties for the State Board of  
7 Equalization - calculation - publish credit amount -  
revenue failure - codification - effective date ]

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

11 SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.103, is

12 amended to read as follows:

13 Section 34.103. A. In addition to any other duties prescribed  
14 by law, at the meeting required by Section 23 of Article X of the  
15 Oklahoma Constitution to be held in February of 2017, and at the  
16 February meeting of the State Board of Equalization each year  
17 thereafter, the State Board of Equalization shall certify:

18 1. For the revenue derived from the tax levied on oil pursuant  
19 to Section 1001 of Title 68 of the Oklahoma Statutes, which would  
20 otherwise be apportioned to the General Revenue Fund, the average  
21 annual amount of actual revenue apportioned to the General Revenue  
22 Fund for the immediately preceding five (5) complete fiscal years.  
23 For any year after the first year during which a deposit to the  
24 Revenue Stabilization Fund is made, the amount of any deposit to the

1 Revenue Stabilization Fund shall be disregarded for purposes of this  
2 paragraph and the average shall be computed using the total amount  
3 of revenue that was available to be apportioned to the General  
4 Revenue Fund for the applicable period of time;

5       2. For the revenue derived from the tax levied on natural gas  
6 pursuant to Section 1001 of Title 68 of the Oklahoma Statutes, which  
7 would otherwise be apportioned to the General Revenue Fund, the  
8 average annual amount of actual revenue apportioned to the General  
9 Revenue Fund for the previous five (5) fiscal years. For any year  
10 after the first year during which a deposit to the Revenue  
11 Stabilization Fund is made, the amount of any deposit to the Revenue  
12 Stabilization Fund shall be disregarded for purposes of this  
13 paragraph and the average shall be computed using the total amount  
14 of revenue that was available to be apportioned to the General  
15 Revenue Fund for the applicable period of time; and

16       3. For the revenue derived from the corporate income tax levied  
17 pursuant to Section 2355 of Title 68 the Oklahoma Statutes, which  
18 would otherwise be apportioned to the General Revenue Fund, the  
19 average annual amount of actual revenue apportioned to the General  
20 Revenue Fund for the previous five (5) fiscal years. For any year  
21 after the first year during which a deposit to the Revenue  
22 Stabilization Fund is made, the amount of any deposit to the Revenue  
23 Stabilization Fund shall be disregarded for purposes of this  
24 paragraph and the average shall be computed using the total amount

1 of revenue that was available to be apportioned to the General  
2 Revenue Fund for the applicable period of time.

3       B. If the amount of revenue available for apportionment to the  
4 General Revenue Fund for the next ensuing fiscal year exceeds the  
5 amounts certified pursuant to paragraph 1 or 2 of subsection A of  
6 this section, with respect to each such revenue source, one hundred  
7 percent (100%) of such amount in excess of the separately computed  
8 five-year average, which would otherwise be apportioned to the  
9 General Revenue Fund, shall be deposited to the credit of the  
10 Revenue Stabilization Fund.

11       C. If the amount of revenue available for apportionment to the  
12 General Revenue Fund for the next ensuing fiscal year exceeds the  
13 amount certified pursuant to paragraph 3 of subsection A of this  
14 section:

15           1. Twenty-five percent (25%) of such amount in excess of the  
16 five-year average, which would otherwise be apportioned to the  
17 General Revenue Fund, shall be deposited to the credit of the  
18 Constitutional Reserve Fund unless such deposit would exceed the  
19 maximum balance permitted pursuant to Section 23 of Article X of the  
20 Oklahoma Constitution and in such case the amount in excess of the  
21 maximum balance shall be deposited to the credit of the Revenue  
22 Stabilization Fund; and

23           2. Seventy-five percent (75%) of such amount in excess of the  
24 five-year average, which would otherwise be apportioned to the

1 General Revenue Fund, shall be deposited to the credit of the  
2 Revenue Stabilization Fund, together with any amount required for  
3 deposit pursuant to the provisions of paragraph 1 of this  
4 subsection.

5 D. In addition to any other duties prescribed by law, at the  
6 meeting required by Section 23 of Article X of the Oklahoma  
7 Constitution to be held in February of 2026, and at the February  
8 meeting of the State Board of Equalization each year thereafter, the  
9 State Board of Equalization shall certify:

10 1. The percentage growth of the amounts available for  
11 appropriation, pursuant to paragraph 1 of Section 23 of Article X of  
12 the Oklahoma Constitution, for the ensuing fiscal year from the  
13 current fiscal year, as certified by the Board during the previous  
14 February meeting; and

15 2. If the percentage growth certified pursuant to paragraph 1  
16 of this subsection exceeds ten percent (10%), the Board shall  
17 certify the amount of revenues exceeding five (5) percentage points  
18 of the growth certified for calculating the amount of tax credit  
19 provided in Section 2 of this act.

20 SECTION 2. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 2357.207 of Title 68, unless  
22 there is created a duplication in numbering, reads as follows:

23 A. For calendar years where the State Board of Equalization  
24 certifies an amount pursuant to paragraph 2 of subsection D of

1 Section 34.103 of Title 62 of the Oklahoma Statutes, for the  
2 corresponding tax year, there shall be allowed a refundable credit  
3 against the tax imposed pursuant to Section 2355 of Title 68 of the  
4 Oklahoma Statutes in an amount, rounded to the nearest whole dollar,  
5 to be calculated by the Oklahoma Tax Commission by taking the amount  
6 certified by the Board pursuant to paragraph 2 of subsection D of  
7 Section 34.103 of Title 62 of the Oklahoma Statutes and dividing by  
8 the summation of the following:

9       1. The number of individual, married filing separate, surviving  
10 spouse, and head of household state personal income tax returns  
11 filed in the second preceding tax year, multiplied by the number one  
12 and five thousandths (1.005); and

13       2. The number of married filing jointly state personal income  
14 tax returns filed in the second preceding tax year, multiplied by  
15 the number two and one hundredths (2.01).

16       B. The credit amount calculated by the Commission as provided  
17 in subsection A of this section shall be doubled for those married  
18 filing jointly.

19       C. Within forty-five (45) days of the Board certifying an  
20 amount pursuant to paragraph 2 of subsection D of Section 34.103 of  
21 Title 62 of the Oklahoma Statutes, the Commission shall publish on  
22 its website the amount of tax credit calculated pursuant to  
23 subsection A of this section.

1       D. If a revenue failure is declared pursuant to the provisions  
2 of Section 34.49 of Title 62 of the Oklahoma Statutes prior to  
3 November 1 of the calendar year corresponding to the tax year in  
4 which a tax credit is provided pursuant to this section, the tax  
5 credit shall not be provided for that tax year.

6 SECTION 3. This act shall become effective November 1, 2025.

7 Passed the Senate the 25th day of March, 2025.

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9 Presiding Officer of the Senate

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11 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
12 2025.

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14 Presiding Officer of the House  
15 of Representatives