

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 1453

By: Provenzano

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; providing  
8 for income tax credit; specifying taxable years for  
9 which credit may be claimed; providing for  
10 availability of credit against income tax levied upon  
11 the taxable income of individual persons; providing  
12 for computation of credit amount based upon certain  
13 differential using state and local sales tax rates  
14 used by vendors in transactions involving cellular  
15 phones; specifying computation of state and local  
16 sales tax amounts for use in calculating income tax  
17 credit; prohibiting reduction of income tax liability  
18 to less than designated amount; prohibiting  
19 carryover; prohibiting claim of credit by business  
20 entity subject to income tax pursuant to certain  
21 statutory provisions; prohibiting allocation of tax  
22 credit by entities having partnership income tax  
23 treatment; providing for codification; and providing  
24 an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 2357.701 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

A. For taxable years beginning on or after January 1, 2024, and  
ending not later than December 31, 2028, there shall be allowed as a

1 credit against the tax imposed on individuals pursuant to subsection  
2 C of Section 2355 of Title 68 of the Oklahoma Statutes for the  
3 difference in state and local sales tax paid by an individual to a  
4 vendor due to the disallowance by the vendor of a trade-in value or  
5 rebate amount for a cellular phone in the computation of the total  
6 gross receipts paid for purposes of sales tax remittance by the  
7 vendor.

8 B. The credit shall be computed as follows:

9 1. Determine the total state and local sales tax rate  
10 multiplied by the gross receipts for sales tax purposes as  
11 determined by the vendor in the transaction involving the sale of a  
12 cellular phone, if the trade-in value or rebate amount for a cell  
13 phone was included in the gross receipts for purposes of the sales  
14 tax amount collected by the vendor from the purchaser in the  
15 transaction;

16 2. Determine the total state and local sales tax rate  
17 multiplied by the gross receipts for sales tax purposes as  
18 determined by the vendor in the transaction involving the sale of  
19 the cellular phone if the value of the trade-in or rebate amount was  
20 excluded by the vendor in the transaction;

21 3. Subtract the lesser amount of combined state and local sales  
22 tax from the greater amount of combined state and local sales tax;

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1 4. The credit amount shall be the positive amount, if any,  
2 resulting from the computations described in paragraphs 1 through 3  
3 of this subsection.

4 C. The credit authorized by the provisions of this section  
5 shall not be used to reduce the income tax liability of the taxpayer  
6 to less than zero (0).

7 D. The credit authorized by the provisions of this section may  
8 be used against the income tax liability of the taxpayer for the  
9 applicable tax year, but may not be carried over to any other  
10 taxable year.

11 E. The credit authorized by this section may not be claimed by  
12 a business entity whether the entity is required to pay income tax  
13 pursuant to subsection E or F of Section 2355 of Title 68 of the  
14 Oklahoma Statutes or any tax levied in lieu of income tax and shall  
15 not be allocated by any pass-through entity such as a general  
16 partnership, limited partnership, Subchapter S corporation, limited  
17 liability company taxed as a partnership or any other entity having  
18 partnership income tax treatment.

19 SECTION 2. This act shall become effective January 1, 2024.

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21 59-1-6107 JBH 12/28/22  
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