STATE QUESTION NO. 539
INITIATIVE PETITION NO. 309

"WARNING"
It is a felony for anyone to sign an initiative or referendum petition with any name other than his own, or knowingly to sign his name more than once for the measure, or to sign such petition when he is not a legal voter.

INITIATIVE PETITION
TO THE HONORABLE GEORGE NIGH
GOVERNOR OF OKLAHOMA:

We, the undersigned citizens and legal voters of the State of Oklahoma, respectfully order that the following proposed law shall be submitted to the legal voters of the State of Oklahoma for their approval or rejection at the regular general election, to be held on the 4th day of November, 1980, but preferably at a special election which might be called for said purpose after filing of this petition, and each for himself says:

"I have personally signed this petition; I am a legal voter of the State of Oklahoma; my residence and post office are correctly written after my name. The time for filing this petition expires ninety days from February 1, 1979. The question we herewith submit to our fellow voters is: Shall the following proposed Statue be approved?"

TITLE
AN ACT RELATING TO REVENUE AND TAXATION; PROVIDING INTENT OF PEOPLE TO CEASE DOUBLE TAXATION AND LIMIT TAX RATES ON OKLAHOMA TAXABLE INCOME; PROVIDING FOR RESTORING TO THE INDIVIDUAL TAXPAYERS A DEDUCTION AGAINST GROSS INCOME ON STATE INCOME TAX RETURNS FOR FEDERAL INCOME TAXES PAYABLE; PROVIDING RESTORATION OF DEDUCTION OVER THREE-YEAR PERIOD; DEFINING TERMS; PROVIDING FOR RULES AND REGULATIONS; SETTING LIMITS ON TAX RATES FOR OKLAHOMA TAXABLE INCOME; DIRECTING CODIFICATION; PROVIDING FOR SUPERSEDING OF ANY INCONSISTENT LAWS; PROVIDING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. The People of the State of Oklahoma hereby declare that double taxation shall be abolished and taxation on Oklahoma taxable income shall be limited.

SECTION 2. It is further declared that prior to the year 1971, every individual taxpayer of the State of Oklahoma received a deduction from their gross income on their State Income Tax return for the amount of Federal Income Tax that such tax-
payer paid, and since that time the State of Oklahoma has imposed the State Income Tax on the Federal Income Tax paid, which has resulted in double taxation.

SECTION 3. In order to provide an equitable system of taxation within the State of Oklahoma and to eliminate the present system of double taxation, the People hereby provide that in addition to other provisions of the Oklahoma Statutes, an individual taxpayer may deduct from his State gross income, an amount equal to the total amount of Federal Income Tax payable within the taxable year for which the State Income Tax return is being filed.

SECTION 4. The People of the State of Oklahoma further declare that, in order that the Legislature may adjust the budgetary needs of the State in such a manner as not to disrupt State Government by the impact of the restoration of the deduction from gross income of the Federal Income Tax which an individual taxpayer may deduct from his State Income Tax return, such restoration shall be accomplished over a three (3) year period. For taxable years beginning after December 31, 1979 the Federal Income Tax deduction shall be one-third (1/3) of the total allowable deduction provided for by this Act, or the amount provided for in other provisions of the Oklahoma Statutes, whichever is greater. For taxable years beginning after December 31, 1980 the Federal Income Tax deduction shall be two-thirds (2/3) of the total allowable deduction provided for by this Act, or the amount provided for in other provisions of the Oklahoma Statutes, whichever is greater. For taxable years beginning after December 31, 1981 the Federal Income Tax deduction shall be the full amount provided for by this Act. The Oklahoma Tax Commission shall revise and institute such rules and regulations as are necessary to implement the provisions of this Act.

SECTION 5. For purposes of this Act, Federal Income Taxes paid shall mean federal income taxes, estate taxes imposed on income, or excess profits taxes, as though the taxpayer were on the accrual basis. The maximum Federal Income Tax deduction allowable shall be prorated on the ratio of the Oklahoma Adjusted Gross Income to Federal Adjusted Gross Income.

SECTION 6. In order to limit the tax rates that are imposed on Oklahoma taxable income, such taxes shall not exceed the following rates:

For single individuals and married individuals filing separately:
No more than 1/2% tax on first $1,000.00 or part thereof
No more than 1% tax on next $1,500.00 or part thereof
No more than 2% tax on next $2,500.00 or part thereof
No more than 3% tax on next $2,500.00 or part thereof
No more than 4% tax on next $2,500.00 or part thereof
No more than 5% tax on next $1,250.00 or part thereof
No more than 6% tax on the remainder.
For married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code and heads of households as defined in the Internal Revenue Code:

No more than ½% tax on first $2,000.00 or part thereof
No more than 1% tax on next $3,000.00 or part thereof
No more than 2% tax on next $2,500.00 or part thereof
No more than 3% tax on next $2,500.00 or part thereof
No more than 4% tax on next $2,500.00 or part thereof
No more than 5% tax on next $2,500.00 or part thereof
No more than 6% tax on the remainder.

SECTION 7. Sections 1 through 5 of this Act shall be codified in the Oklahoma Statutes as Sections 2358a through 2358e of Title 68 and Section 6 shall be codified in the Oklahoma Statutes as Section 2355a of Title 68 unless there is created a duplication in numbering.

SECTION 8. Should any provisions of this Act be in conflict with any law, rule or regulation of this State, this Act shall govern and control, and such other law, rule or regulation shall be deemed superseded or repealed insofar as necessary to avoid the conflict.

SECTION 9. The provisions of this Act are severable and if any part or provision thereof shall be held void the decision of the court so holding shall not affect or impair any of the remaining parts or provisions of this Act.

SECTION 10. This Act shall apply to all taxable years beginning after December 31, 1979.
IN THE MATTER OF THE PROPOSED BALLOT
TITLE OF STATE QUESTION NUMBER 539,
INITIATIVE PETITION NUMBER 309

TO: THE HONORABLE JEANETTE EDMONDSON,
SECRETARY OF STATE, STATE OF OKLAHOMA
State Capitol Building
Oklahoma City, Oklahoma 73105

NOTICE OF NONCONFORMING BALLOT TITLE

You are hereby notified that pursuant to the provisions of 34 O.S. (1978) §9, that the Attorney General has examined and considered the proposed ballot title to State Question Number 539, as proposed in Initiative Petition Number 309. The ballot title as proposed therein, reads as follows:

PROPOSED BALLOT TITLE

State Question No. 539  Initiative Petition No. 309

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

Shall a statute;

ELIMINATING DOUBLE TAXATION AND LIMITING TAX RATES ON INCOME; RESTORING A DEDUCTION FOR FEDERAL INCOME TAXES PAYABLE; RESTORING THIS DEDUCTION OVER A THREE-YEAR PERIOD; DEFINING TERMS; PROVIDING FOR RULES AND REGULATIONS; SETTING LIMITS ON TAX RATES FOR OKLAHOMA TAXABLE INCOME; DIRECTING CODIFICATION; PROVIDING FOR SUPERSEDING OF ANY INCONSISTENT LAWS; PROVIDING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Be approved by the people?

SHALL THE PROPOSED STATUTE BE APPROVED?

☐ YES - FOR THE STATUTE
☐ NO - AGAINST THE STATUTE

It is the opinion of the Attorney General that the Ballot Title to State Question Number 539, as proposed in Initiative Petition Number 309, as above set forth, is defective and is not in harmony with the law of the State of Oklahoma; that the Ballot Title as proposed is not a neutral statement, but reflects partiality in its composition in favor of the persons proposing to circulate the Initiative Petition, and the Attorney General so finds.

Therefore, pursuant to 34 O.S. (1978) §9(B), the Attorney General has prepared and hereby files the following Ballot
Title which conforms to and is in harmony with the law of this State, to wit:

PROPOSED BALLOT TITLE

State Question No. 539       Initiative Petition No. 309

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

Shall a statute;

DECLARING TAX POLICY AND ALLOWING AN INDIVIDUAL TAXPAYER TO DEDUCT FROM HIS STATE GROSS INCOME AN AMOUNT EQUAL TO THE FEDERAL INCOME TAX PAYABLE IN THE SAME TAX YEAR, TO BE FULLY ACCOMPLISHED OVER A THREE-YEAR PERIOD, IMPLEMENTED BY THE OKLAHOMA TAX COMMISSION, PROVIDING FOR A LIMITED RATE OF TAX AND PROSCRIBING CLASSES OF TAXPAYERS, A DEFINING TERM AND RATIO, DIRECTING CODIFICATION, PROVIDING FOR SUPERSEDMING OF ANY INCONCINSTANT LAWS, PROVIDING SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

be approved by the people?

☐ YES - FOR THE STATUTE
☐ NO - AGAINST THE STATUTE

The Secretary of State is hereby directed to substitute the last above stated Ballot Title in lieu of the Ballot Title proposed by the parties submitting State Question Number 539, as contained in Initiative Petition Number 309.

JAN ERIC CARTWRIGHT
ATTORNEY GENERAL OF OKLAHOMA

CERTIFICATE OF MAILING

This is to certify that on this 57th day of February, 1979, a true and correct copy of the above and foregoing Notice of Nonconforming Ballot Title was mailed to the Tax Reform Committee, State Senator Jerry T. Pierce, Chairman, Post Office Box 26525, Oklahoma City, Oklahoma 73126.
TAX REFORM COMMITTEE

Senator Jerry T. Pierce, Chairman
P. O. Box 26525
OKLAHOMA CITY, OK 73126

February 7, 1979

The Honorable Jeannette Edmondson
Secretary of State
State of Oklahoma
State Capitol Building
Oklahoma City, Oklahoma 73105

In Re: State Question #539
Initiative Petition #309

Dear Secretary Edmondson:

On behalf of the Tax Reform Committee, we hereby enter an exception to that part of the ruling of the Attorney General that states that the proposed Ballot Title offered herein on February 1, 1979, is not in harmony with the Statutes of the State of Oklahoma.

We further except to that portion of the ruling of the Attorney General which states that the said proposed Ballot Title reflects partiality in its composition. We believe that our proposed Ballot Title did, in fact, state exactly the gist of the proposition to be submitted to the people of the State of Oklahoma.

However, take notice that we hereby accept and agree to the "in lieu" Ballot Title filed by the Attorney General in the office of the Secretary of State on February 5, 1979.

Very truly yours,

Jerry T. Pierce, Chairman

JTP/bsr