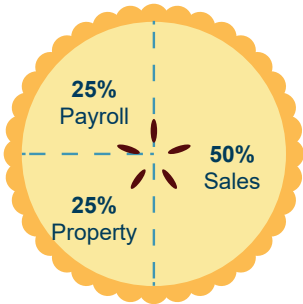


MAKE OKLAHOMA'S TAX CODE COMPETITIVE

CURRENT, OUTDATED WAY



- Calculating a business' Oklahoma corporate income tax is done with an apportionment formula, breaking up the business' total income by state. Calculating it is confusing – and it is an outdated way to do it.
- Oklahoma currently uses a three-factor apportionment:
 - ✗ 25% Oklahoma payroll + 25% Oklahoma property + 50% Oklahoma sales

PROPOSED SIMPLE, MODERN WAY

HB1375



■ **Single-sales factor:**

- ✓ 100% Oklahoma sales

Better because:

- ✓ Eases the tax burden of businesses investing in Oklahoma with payroll and property located in state.
- ✓ Modernizes the tax code to increase Oklahoma's business tax rankings.
- ✓ DOES NOT eliminate payroll or property taxes paid by the business.

LET'S GET RID OF THE THROWBACK RULE, TOO

- The apportionment formula uses the “*throwback rule*”
- **Sales from another state** are put in a company's pot that is considered for its Oklahoma portion of income if the state the sale was made into does not tax the sale.
- This income is “thrown back” to Oklahoma, giving Oklahoma businesses a higher tax burden than businesses in other states without a throwback.
- This is especially true for small businesses.

VOTE YES ON HB1375



THE STATE CHAMBER