



Oklahoma Income Tax Reduction Ruled Unconstitutional

By Sheppard “Mike” Miers, Jr.

The Supreme Court of Oklahoma has ruled Oklahoma tax legislation enacted in 2013 reducing the top Oklahoma individual income tax rate from 5.25% to 5% in 2015, with further reduction to 4.85% possible in 2016, is unconstitutional and void.

In the case of *Fent v. Fallin*, 2013 OK 107, Dec. 17, 2013, the Oklahoma individual income tax rate reduction enacted by the Oklahoma Legislature in May 2013, was found unconstitutional.

The legislation was held to violate a provision in Art. 5, § 57 of the Oklahoma Constitution that requires each act enacted by the Legislature express only one (1) subject in its title. The court stated the purpose of this single subject provision is to prevent the Legislature from making a bill veto proof by combining two (2) unrelated subjects in a bill.

The court said this requirement in the Oklahoma Constitution is to prevent “log rolling” by the Legislature that can occur when unpopular legislation is “piggy-backed” with a popular bill.

The court said the policy underlying the requirement is to enable the public to know with certainty how legislators voted, either yes or no, on an identifiable subject covered by a bill, such as income tax reduction, without regard to how they feel on some other subject.

The bill in question provided for reduction of the Oklahoma individual income tax rate as well as establishment of a state capitol building restoration fund and appropriations to the fund. The court found the capitol building restoration provision was not germane to a tax rate reduction, and because the bill therefore contained two (2) different subjects it violated the Oklahoma Constitution.

The Oklahoma Legislature will convene again in February 2014 which is before the income tax rate reduction struck down was to take effect. It could possibly enact the tax rate reduction intended to take effect in 2015 in a single subject bill meeting constitutional requirements.

For additional information, please contact attorneys at GableGotwals, Mike Miers at 918-595-4800.

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1100 ONEOK Plaza
100 West Fifth Street
Tulsa, Oklahoma 74103-4217
(918) 595-4800
smiers@gablelaw.com