

B. Major Business Taxes and Premiums

Oklahoma Tax Tables for tax year 2012 (68 O.S. § 2355)									
<i>Married Joint, Head of Household & Surviving Spouse Filers</i>					<i>Single & Married Separate Filers</i>				
Taxable income		Pay	plus	over	Taxable income		Pay	plus	over
0	2,000	0.00	0.50%	0.00	0	1000	0.00	0.50%	0.00
2,000	5,000	10.00	1.00%	2,000	1,000	2,500	5.00	1.00%	1,000
5,000	7,500	40.00	2.00%	5,000	2,500	3,750	20.00	2.00%	2,500
7,500	9,800	90.00	3.00%	7,500	3,750	4,900	45.00	3.00%	3,750
9,800	12,200	159.00	4.00%	9,800	4,900	7,200	79.50	4.00%	4,900
12,200	15,000	255.00	5.00%	12,200	7,200	8,700	171.50	5.00%	7,200
	and					and			
15,000	above	395.00	5.25%	15,000	8,700	above	246.50	5.25%	8,700

1. Individual State Income Tax

(68 O.S. §§ 2355, 2358)

For more information, contact the Oklahoma Tax Commission, Taxpayer Assistance Division at (405) 521-3160.

Generally, Oklahoma taxable income is initially defined by Internal Revenue Code, and applies to income resulting from property owned and business done in Oklahoma. The tax table above is for individual state income tax for the current tax year.

2. Corporate State Income Tax

Rate: The portion of corporate income earned in Oklahoma and therefore subject to the 6% tax is based on a three-factor formula.

Corporate Sales Factor: Total sales attributed to Oklahoma divided by sales everywhere.

Property Factor: Taxpayer's average value of property (real and tangible personal property) owned or rented and used in Oklahoma divided by the average value of property (real and tangible personal property) used everywhere during the tax period. Property is valued at its original cost. Rented property is valued at eight times the net annual rate.

Payroll Factor: Compensation for services rendered (less officer's compensation) in Oklahoma divided by compensation for services rendered (less officer's compensation) everywhere.

- Double emphasis is placed on the sales factor for capital intensive firms of \$200 million investment in a single project (must be completed within 3 years).
- Oklahoma wishes to tax only the income attributable to the Oklahoma operation. If the apportionment of business income of the enterprise by the Three Factor formula does not give a fair reflection of the taxpayers' activity in the state, with the Oklahoma Tax Commission approval, alternate methods may be used.
- Net operating losses may be carried forward 15 years and may be carried back two years for most companies.