

**OKLAHOMA TAX COMMISSION**

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-THIRD OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** January 27, 2011

**BILL NUMBER:** SB 103 **STATUS AND DATE OF BILL:** Introduced 12/29/10

**AUTHORS:** House n/a Senate Russell

**TAX TYPE (S):** Income Tax **SUBJECT:** Exemption

**PROPOSAL:** Amendatory

SB 103 proposes to enact the Widow's Relief Bill.

**EFFECTIVE DATE:** January 1, 2012

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 12: Projected revenue decrease of \$7.25 million

FY 13: Projected revenue decrease of \$18.15 million

**ADMINISTRATIVE IMPACT:**

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 12: None

_____	_____	<u>mck</u>
DATE	DIVISION DIRECTOR	
_____	_____	
DATE	REECE WOMACK, ECONOMIST	
_____	_____	
DATE	FOR THE COMMISSION	

## ATTACHMENT TO FISCAL IMPACT - SB 103[Introduced] Prepared January 27, 2011

SB 103 proposes to enact the Widow's Relief Bill.

The proposal exempts all income of a surviving spouse (widow or widower) from Oklahoma income tax if the surviving spouse is at or below 200% of the federal poverty level. Federal poverty levels are determined by family size. For calendar 2010, federal poverty level for a family of three (3) is \$18,310.00 (200% would equal \$36,620.00).

In 2008, 841,900 taxpayers filed an Oklahoma income tax return showing federal adjusted gross income of less than \$36,000.00.<sup>1</sup> Census data indicates that 7% of Oklahomans are widowed. Applying this 7% to all filers with federal Adjusted Gross Income under \$36,000.00 (841,900 multiplied by 7%) would result in 58,933 filers qualifying for this exemption.<sup>2</sup> The mean or average tax for these 58,933 filers totals \$18.15 million.

### ***Revenue Impact:***

This proposal will result in an estimated tax year revenue decrease of \$18.15 million. It is anticipated that estimated tax remittances will be reduced as a result of this deduction so 40% of the impact will occur in FY12 (\$7.25 million), with the full impact of \$18.15 million in FY13.

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<sup>1</sup>Oklahoma Tax Commission Simple Statistics – Tax Year 2008

<sup>2</sup>For purposes of this analysis the poverty level income for a family of 3 was used to calculate the revenue impact.