

**OKLAHOMA TAX COMMISSION**

**FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT  
SECOND REGULAR SESSION, FIFTY-FIFTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** February 13, 2016

**BILL NUMBER:** SB 1390 **STATUS AND DATE OF BILL:** Introduced 1/21/16

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

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

**PROPOSAL:** Amendatory

SB 1390 proposes to amend 68 O.S. § 2385.3 which relates to the reporting of Oklahoma Income Tax Withholding by employers.

**EFFECTIVE DATE:** November 1, 2016

**REVENUE IMPACT:**

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

FY 17: Projected increase to income tax collections of \$5 million.

**ADMINISTRATIVE IMPACT:**

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

FY 17: Unknown additional cost to the Tax Commission due to this proposed legislation.

Feb. 13, 2016  
DATE

Rick Miller  
DIVISION DIRECTOR

mck

2-13-16  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

2/13/16  
DATE

Dan Cash  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT – SB 1390[Introduced] Prepared February 13, 2016**

SB 1390 proposes to amend 68 O.S. § 2385.3 which relates to the reporting of Oklahoma Income Tax Withholding by employers.

Under current law, employers are not required to annually reconcile the amount of Oklahoma income tax withheld from their employees throughout the tax year although many employers are presently required to provide this reconciliation report at the federal level. This measure requires employers to annually reconcile the amount of Oklahoma income tax withheld using the Oklahoma Tax Commission's electronic data interchange program.

Due to increased tax compliance resulting from the capture of Oklahoma withholding information provided by employers and comparing the withholding reported on individual income tax returns, would assist in the identification of fraudulent and inaccurate tax returns. It is estimated that income tax collections would increase by \$5 million for FY17.