

**BILL SUMMARY**  
1st Session of the 54<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1598</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>7346</b>
<b>Author:</b>	<b>Mr. Speaker</b>
<b>Date:</b>	<b>3/6/2013</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>Direct Revenue Decrease:</b>

**FY-14: \$50.4 Million**  
**Full Year: \$130.0 Million**

**Research Analysis**

The Committee Substitute for HB2032 lowers the top marginal individual income tax rate from 5.25% to 5% beginning January 1, 2014.

Prepared By: Quyen Do

**Fiscal Analysis**

The Tax Commission estimates the direct revenue decrease resulting from a reduction in the top marginal individual income tax from 5.25 percent to 5.00 percent would approach:

Fiscal Year Effect of Change in Top Marginal Rate			
Proposed Top Marginal Rate			5.0%
		<b><u>Impact</u></b>	
Tax Year 2014	(125,907,000)		
Tax Year 2015	(136,089,000)		
<b><u>Fiscal Year Conversion</u></b>		<b><u>FY-14</u></b>	<b><u>FY-15</u></b>
Tax Year 2014	(125,907,000)	(50,363,000)	(75,544,000)
Tax Year 2015	(136,089,000)		(54,436,000)
	FY Total	(50,363,000)	(129,980,000)
Apportioned			
General Revenue Fund		(43,140,946)	(111,340,868)
Education Reform (HB 1017)		(4,200,274)	(10,840,332)
Teachers' Retirement		(2,518,150)	(6,499,000)
Ad Valorem Reimbursement		(503,630)	(1,299,800)
Change in Appropriations Authority		(45,184,173)	(116,614,157)

Prepared By: Mark Tygret

### **Other Considerations**

None.

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