

BILL SUMMARY
2nd Session of the 55th Legislature

Bill No.:	SB1604
Version:	INT
Request Number:	3379
Author:	Rep. Sears
Date:	5/12/2016
Impact:	FY17: Projected income tax collections of \$28.9M

Research Analysis

SB1604, as introduced, makes the earn income tax credit nonrefundable effective tax year 2016. The state earned income tax credit is equal to five percent of the federal earned income tax credit.

Prepared By: Quyen Do

Fiscal Analysis

From the Oklahoma Tax Commission:

SB 1604 proposes to amend 68 O.S. § 2357.43 which relates to the Oklahoma Earned Income Credit. This measure proposes to eliminate the refundable aspect of this credit effective for tax year 2016.

Under current law the Oklahoma Earned Income Credit is equal to 5% of the earned income credit allowed on a taxpayer's federal income tax return. This is a refundable tax credit with no carryover provisions.

The impact is an estimated \$28,910,000 increase in income tax collections in FY17.

Prepared By: Joshua Maxey

Other Considerations

None.