

BILL SUMMARY
2nd Session of the 55th Legislature

Bill No.:	SB 1606
Version:	INT
Request Number:	3384
Author:	Rep. Sears
Date:	5/12/2016
Impact:	Tax Commission:
FY-17: Collection Increase of \$97.3 Million	

Research Analysis

SB1606, as introduced, provides that taxable income, for the purpose of determining state income taxes due, will be increased by any amount of state or local sales or income tax deducted on a taxpayer's federal income tax return effective tax year 2016. This change only applies to taxpayers that itemize their deduction on the federal return.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

SB 1606 proposes amends 68 O.S. § 2358 as it relates to the itemized deductions of state and local income or sales taxes paid effective for tax year 2016.

Under current law, taxpayers that claim itemized deductions for federal income tax purposes can claim the same amount to calculate Oklahoma taxable income. These itemized deductions include state and local taxes paid.

This measure proposes to require state and local income or sales taxes included in itemized deductions be added back to calculate Oklahoma taxable income (by subtracting them from itemized deductions) effective for tax year 2016.

The impact is an estimated \$97,302,000 increase in income tax collections in FY17.

Prepared By: Mark Tygret

Other Considerations

None.