

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** May 11, 2016

**BILL NUMBER:** SB 1606 **STATUS AND DATE OF BILL:** Introduced 5/11/2016

**AUTHORS:** House Sears & Casey Senate Jolley & Treat

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

**PROPOSAL:** Amendatory

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.

**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 in income tax collections of \$97,302,000.

### ADMINISTRATIVE IMPACT:

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

FY 17: No additional cost or savings to the Tax Commission are anticipated due to this proposed legislation.

May 11, 2016  
DATE

Rick Miller  
DIVISION DIRECTOR

mck

\_\_\_\_\_  
DATE

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REECE WOMACK, ECONOMIST

5/11/16  
DATE

Jonny Hunt  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT – SB 1606 [Introduced] Prepared May 11, 2016**

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.