

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 1037XX
Version:	CS
Request Number:	50367
Author:	Rep. Wallace
Date:	2/8/2018
Impact:	Preliminary Estimate:
	Tax Commission
	Revenue Gain:
	FY-18: \$ 4,101,000
	FY-19: \$41,501,000

Research Analysis

The committee substitute for HB1037XX makes changes to how state income tax is computed. The measure decreases the standard deduction amounts to \$5,250 for single individuals and married individuals filing separately with a federal AGI greater than \$25,000; \$10,500 for married individuals filing jointly or a qualifying widower with a dependent child with a federal AGI greater than \$50,000; and \$7,700 for heads of household with a federal AGI greater than \$37,500. The measure also makes the state earned income tax credit refundable effective tax year 2018.

Prepared By: Quyen Do

Fiscal Analysis

The measure restores the refundable features of the Earned income Tax Credit (EITC) and modifies the Oklahoma standard deduction.

Single filers under \$25,000 adjusted gross income (AGI), heads of households under \$37,500 AGI and joint filers under \$50,000 AGI will not experience any change to the standard deduction. Filers over those thresholds will utilize standard deductions of \$5,250, \$7,700 and \$10,500 for single, head of house hold and joint, respectively.

Preliminary estimates by the Tax Commission indicate the provisions will result in a revenue increase of \$4,101,000 in FY-18 and \$41,501,000 in FY-19.

Prepared By: Mark Tygret

Other Considerations

None.