

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 1383
Version:	INT
Request Number:	6113
Author:	Rep. Bush
Date:	2/15/2017
Impact:	Tax Commission:

FY-18: \$0
FY-19: Revenue Decrease of \$34.5 Million

Research Analysis

HB1383, as introduced, increases the amount of sales tax relief allowed for each personal exemption from \$40 to \$60 and expands eligibility for the sales tax relief program. Beginning tax year 2018, Oklahoma residents may file a claim for 50 percent of the sales tax relief allowed if:

- their gross household income falls between \$20,000 and \$30,000; or
- the individual has a physical disability and has a gross household income between \$50,000 and \$60,000; or
- the individual is 65 years of age or older at the close of the tax year and has a gross household income between \$50,000 and \$60,000.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

This measure proposes to increase the credit to \$60 per personal exemption claimed on the Oklahoma income tax return beginning with calendar year 2018. This measure would also expand the eligibility requirements, allowing certain taxpayers 50% of the new credit amount (\$30) as follows:

All full year Oklahoma residents whose total gross household income exceeds \$20,000 but does not exceed \$30,000, or residents whose gross household income exceeds \$50,000 but does not exceed \$60,000 if one of the following applies:

- Claimant can claim an exemption for a dependent, or
- Claimant is 65 years of age or older by the end of the calendar year, or
- Claimant has a physical disability constituting a substantial handicap to employment.

This measure also requires the income eligibility limitations to be adjusted annually if Consumer Price Index for all Urban Consumers (CPI-U) produced by the Bureau of Labor Statistics of the United States Department of Labor increases, beginning with an analysis for calendar year 2018.

The estimated impact of this measure was calculated using the Oklahoma Individual Income Tax Micro Simulation Model. The impact is an estimated decrease in income tax collections for tax year 2018 of \$34.5 million. No changes to estimated tax or withholding are anticipated so the full impact of \$34.5 million should occur in FY19 when the 2018 income tax returns are filed.

Prepared By: Mark Tygret

Other Considerations

None.