

**Fiscal Impact**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

**Bill No.:**  
**Version:**  
**Author:**  
**Date:**

**SB 1155**  
**INT**  
**Sen. Bergstrom**  
**02/06/2020**

**OKLAHOMA TAX COMMISSION**

REVENUE IMPACT STATEMENT  
SECOND REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** January 10, 2020

**BILL NUMBER:** SB 1155 **STATUS AND DATE OF BILL:** Introduced 12/30/19

**AUTHORS:** House n/a Senate Bergstrom

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

**PROPOSAL:** Amendatory

SB 1155 proposes to modify the Oklahoma individual income tax brackets to alleviate the "marriage penalty" effective for tax year 2021 and subsequent tax years.

**EFFECTIVE DATE:** November 1, 2020

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 21: Projected decrease of \$5,548,000 in income tax collections.  
FY 22: Projected decrease of \$13,949,000 in income tax collections.

Jan 13, 2020  
DATE

Pick Miller  
DIVISION DIRECTOR

mck

1/13/2020  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

1/23/2020  
DATE

[Signature]  
FOR THE COMMISSION

*The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

SB 1155 proposes to modify the Oklahoma individual income tax brackets to alleviate the “marriage penalty”<sup>1</sup> effective for tax year 2021 and subsequent tax years.

Current Law - Married Filing Joint; Head of Household and Surviving Spouse Brackets							
If Taxable Income Is:							
0	under	\$2,000	pay	\$0	plus	0.5%	over \$0
\$2,000	under	\$5,000	pay	\$10.00	plus	1.0%	over \$2,000
\$5,000	under	\$7,500	pay	\$40.00	plus	2.0%	over \$5,000
\$7,500	under	\$9,800	pay	\$90.00	plus	3.0%	over \$7,500
\$9,800	under	\$12,200	pay	\$159.00	plus	4.0%	over \$9,800
\$12,200	and above		pay	\$255.00	plus	5.0%	over \$12,200

The estimated revenue impact of this proposal was calculated using the Oklahoma Individual Income Tax Microsimulation Model. The estimated decrease in Oklahoma individual income tax collections for tax year 2021 is expected to be \$13,871,000. Oklahoma income tax withholding tables will also be changed to reflect the new brackets for tax year 2021. As such, the tax year 2021 impact will occur in both FY21 and FY22. The projected decrease in revenue by FY is shown in the table below:

<sup>1</sup> Under current law, due to the income tax brackets not aligning, a marriage penalty occurs in the 4% bracket; taxing income at 5% for certain married filing joint filers that is taxed at 4% for taxpayers filing single.