

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	SB 1481
Version:	ENGR
Request Number:	NA
Author:	Rep. Kendrix
Date:	4/4/2022
Impact:	Tax Commission:

Revenue Decrease:
FY-23: (\$57,200,000)

Research Analysis

SB 1481 ends the franchise tax after tax year 2022.

Prepared By: Emily McPherson

Fiscal Analysis

The measure repeals the Oklahoma franchise tax code. Franchise tax is paid by corporations on employed capital¹.

¹ Under current law, Oklahoma levies an annual franchise tax on all corporations that do business in the State of Oklahoma. Corporations are taxed \$1.25 for each \$1,000 of capital invested or used in Oklahoma. Foreign corporations are additionally assessed \$100 per year, payable to the Oklahoma Tax Commission, for the Secretary of State to act as their registered agent. The maximum annual tax is \$20,000 and entities that have a calculated franchise tax of \$250 or less are not required to remit the tax. Limited liability companies, as defined by Section 2001 of Title 18 of the Oklahoma Statutes, are not subject to Oklahoma franchise tax.

Prepared By: Mark Tygret

Other Considerations

None.