

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.: HB4358
Version: FULLPCS1
Request Number: 10964
Author: Rep Boatman
Date: 3/3/2022
Impact: Please see previous summary of this measure

Research Analysis

The proposed committee substitute for HB4358 establishes a graduated schedule to reduce the state corporate income tax, pass-through entity tax and the bank privilege tax by .5 percent every tax year beginning tax year 2023.

The current state income tax rate for corporations, pass-through entities and banks is 4 percent. The rate reduction schedule is as follows:

Tax Year	State Corporate Income Tax Rate
2023	3.5%
2024	3.0%
2025	2.5%
2026	2.0%
2027	1.5%
2028	1.0%
2029	0.5%
2030	0.0%

All corporations are eligible for the reduced rate in the applicable tax year, except those with more than \$50 million in Oklahoma state tax credit carryforwards as of the effective date of the act. For such corporations, the existing 4 percent corporate income tax rate will prevail.

When the 0% bank privilege tax takes effect in tax year 2030, banks will be subject to an in-lieu fee of \$100 each year, which be apportioned to the State Public Common Schools Building Equalization Fund.

Prepared By: Quyen Do

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

Other Considerations

None.

