

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: BILL March 13, 2024

NUMBER: HB 3402

STATUS AND DATE OF BILL: ENGR 3/5/24

AUTHORS: House: O'Donnell & Sims Senate: Standridge

TAX TYPE(S): Income

SUBJECT: Rebate

PROPOSAL: New Law

The Committee Substitute for HB 3402 proposes an income tax rebate for individual income tax filers that filed both a 2021 and 2022 Oklahoma individual income tax return.¹ The Oklahoma Tax Commission must issue the rebates by November 1, 2024.² The amount of the rebate is based on filing status: \$250 for single filing status; \$375 for head of household filing status; \$500 for married filing joint return filing status; \$0 for married filing separate filing status; and \$0 for qualifying widow filing status.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT: The rebate will be paid in FY25 from individual income tax collections.³ The chart on the next page shows how the rebate was calculated by filing status.

FY 25: Decrease of \$682.6 million in income tax revenue. ⁴

3/4/24

DATE

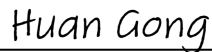


MARIE SCHUBLE, DIVISION DIRECTOR

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2/27/24

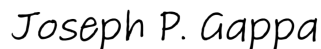
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HUAN GONG, ECONOMIST

3/18/2024

DATE



JOSEPH P. GAPPA, FOR THE COMMISSION

The 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.

¹ Both Oklahoma residents and nonresidents, with no Oklahoma income tax filing requirement, could file Oklahoma income tax returns for 2021 and 2022 for the sole purpose of qualifying for the rebate.

² There is an unknown administrative cost; the rebates must be distributed by November 1, 2024, and some will be receiving a debit card or paper check.

³ Net apportioned individual income tax collections for October and November 2023 were \$396.4 million and \$314.5 million respectively. It is unclear how the OTC would apportion these funds to fund the rebate payments.

⁴ This estimate does not include resident and nonresident taxpayers who do not have an income tax filing requirement for Oklahoma - see footnote 1.

ATTACHMENT TO REVENUE IMPACT - HB 3402 [ENGR]

Filing Status	Number of Returns			Rebate	Rebate Amounts		
	511	511NR	Total		511	511NR	Total
Single	719,590	120,970	840,560	\$250	\$179,897,500	\$30,242,500	\$210,140,000
Married Filing Joint	654,436	110,017	764,453	\$500	\$327,218,000	\$55,008,500	\$382,226,500
Married Filing Separate	36,434	6,125	42,559	\$0	\$0	\$0	\$0
Head of Household	206,014	34,633	240,647	\$375	\$77,255,250	\$12,987,375	\$90,242,625
Qualifying Widow	993	167	1,160	\$0	\$0	\$0	\$0
Total	1,617,467	271,912	1,889,379		\$584,370,750	\$98,238,375	\$682,609,125