

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 16, 2024

BILL NUMBER: SB 1451

STATUS AND DATE OF BILL: Introduced 12/18/23

AUTHORS: House: NA Senate: McCortney

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

PROPOSAL: New Law

SB 1451 proposes to create a new, refundable income tax credit for 75% of court costs¹ paid during a tax year by a resident individual with a gross adjusted income of at least \$10,000, effective for tax year 2025 and subsequent tax years. The Oklahoma Tax Commission (OTC) must promulgate rules to implement the proposal, including a specific list of qualified court costs. The OTC must further prescribe necessary requirements for verification, including the submission of documents provided by the court clerk.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:

OTC records indicate approximately 1.4 million Oklahoma resident returns were filed for tax year 2022 with a federal adjusted gross income of \$10,000 or more. Information to reasonably estimate a total amount of court costs charged and collected for qualifying Oklahoma residents is not available.

FY 25: Unknown decrease in income tax revenue.²

FY 26: Unknown decrease in income tax revenue.

1/18/24

DATE

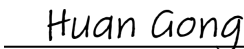


MARIE SCHUBLE, DIVISION DIRECTOR

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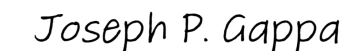
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HUAN GONG, ECONOMIST

1/18/2024

DATE



JOE 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 "Court costs" mean fees and costs charged and collected by any clerk of the court in Oklahoma in connection with a criminal charge but will not include any penalties or restitution.

² Taxpayers with large accumulated court costs may decrease withholding or estimated payments, beginning for FY 25.