

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** December 28, 2023

**BILL NUMBER:** SB 1482

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

**AUTHORS:** House: NA Senate: Pugh

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

**PROPOSAL:** New Law & Amendatory

SB 1482 proposes to create a refundable income tax credit for each Oklahoma personal income tax filer from an excess of funds available for appropriation, as certified by the State Board of Equalization.

**EFFECTIVE DATE:** November 1, 2024

### REVENUE IMPACT:

Dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation:

FY 25: None.

FY 26: Unknown.

1/2/24

DATE

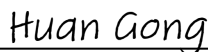


MARIE SCHUBLE, DIVISION DIRECTOR

bf

12/29/23

DATE



HUAN GONG, ECONOMIST

1/2/2024

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.***

## **ATTACHMENT TO REVENUE IMPACT – SB 1482    Prepared: 12/28/23**

### **CURRENT LAW:**

Certification of revenue by the State Board of Equalization (BOE) is prescribed under 62 O.S. § 34.103.

### **PROPOSED NEW LAW & AMENDMENTS:**

SB 1482 proposes to create a refundable income tax credit for each Oklahoma personal<sup>1</sup> income tax filer<sup>2</sup> from an excess of funds available for appropriation, as certified by the BOE.

Under this proposal, 62 O.S. § 34.103 is amended to require the BOE at the February 2025 meeting, and at the February meeting of the BOE each year thereafter, to certify the percentage growth of the amounts available for appropriation for the ensuing fiscal year from the current fiscal year, as certified by the BOE during the previous February meeting. If the certified percentage growth exceeds 10%, the BOE must certify the amount of revenues exceeding 5% of the certified growth for calculating the proposed credit.

For calendar years where the BOE certifies an amount allowable for the credit, the Oklahoma Tax Commission (OTC) must calculate the credit amount allowed for the corresponding tax year for each filer by dividing the BOE-certified amount allowable for the credit by the sum of the following:

- The number of individual, married filing separate, surviving spouse, and head of household income tax returns filed in the second preceding tax year multiplied by 1.005; and
- The number of married filing jointly personal income tax returns filed in the second preceding tax year multiplied by 2.01.

Within 45 days of the BOE certifying an amount allowable for the credit, the OTC must publish on its website the calculated credit amount per filer. The credit amount will be doubled for those married filing jointly.

If a revenue failure is declared prior to November 1<sup>st</sup> of the calendar year corresponding to the tax year in which the credit is provided, the credit will not be allowed for that year.

### **ANTICIPATED IMPACT:**

If allowed, the initial credit could be claimed during tax year 2026 when the 2025 returns are filed. However, information is not available to determine the percentage growth or amount of revenues required to calculate the proposed credit. As a result, the expected revenue impact of this proposal is an unknown.

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<sup>1</sup> It is assumed that “personal” income tax filer means “individual” income tax filer.

<sup>2</sup> Nonresident individual income tax filers would be eligible for the credit under this proposal.