

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: SJR 25

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

AUTHORS: House: NA Senate: Jech

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

PROPOSAL: Amendatory


SJR 25 proposes to put to a vote of the people an amendment to add Section 12b to Article 10 of the Oklahoma Constitution. Section 12b would create the Taxpayer Allocation Program Fund to provide an income tax credit for individual taxpayers.

EFFECTIVE DATE: Upon Voter Approval

REVENUE IMPACT: The proposal does not affect tax collections.

1/18/24

DATE


MARIE SCHUBLE, DIVISION DIRECTOR

bf

1/17/24

DATE


HUAN GONG, ECONOMIST

2/16/2024

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.

PROPOSED AMENDMENTS:

SJR 25 proposes to put to a vote of the people an amendment to add Section 12b to Article 10 of the Oklahoma Constitution. Section 12b creates the Taxpayer Allocation Program Fund and provides that for any individual income tax, if the net revenues, available for apportionment, collected for any taxable year exceed the average net revenues, available for apportionment, collected from the previous five years, the excess revenues collected must be placed in the Fund by the State Treasurer from revenues collected in the subsequent taxable year.

If the Fund amount exceeds \$400 million, the balance will be made available to provide a refundable credit to Oklahoma residents who file an individual income tax return for the following tax year.¹ The credit for each taxpayer will be a portion of the amount expended from the Fund equal to the ratio of the income taxes paid by a taxpayer to the total individual income taxes paid by all residents in the preceding tax year. Taxpayers with a filing status of married filing jointly, head of household or surviving spouse will have a credit double the amount of those filing as single or married filing separately.

The balance threshold for expenditures from the Fund must be adjusted for inflation by the Treasurer every 10 years from the effective date of the proposal.

ANTICIPATED IMPACT:

The proposal does not affect income tax collections.

¹ It is understood that the proposed Fund belongs to the State Treasurer, who is responsible for transfers into the Fund from monies received in a following year. The Fund balance available to provide the proposed credit must be provided to the Oklahoma Tax Commission in order to administer the credit.