

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 SENATE BILL 2055

By: Deever

6 AS INTRODUCED

7 An Act relating to tax; amending 68 O.S. 2021,  
8 Section 2355, as last amended by Section 2, Chapter  
9 307, O.S.L. 2025 (68 O.S. Supp. 2025, Section 2355),  
which relates to income tax; modifying certain income  
tax rate for certain corporations for certain tax  
years; amending 68 O.S. 2021, Section 2370, which  
relates to the banking privilege tax; modifying tax  
for certain entities for certain years; updating  
statutory language; updating statutory reference; and  
providing an effective date.

13  
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2355, as  
16 last amended by Section 2, Chapter 307, O.S.L. 2025 (68 O.S. Supp.  
17 2025, Section 2355), is amended to read as follows:

18 Section 2355. A. Individuals. For all taxable years beginning  
19 after December 31, 1998, and before January 1, 2006, a tax is hereby  
20 imposed upon the Oklahoma taxable income of every resident or  
21 nonresident individual, which tax shall be computed at the option of  
22 the taxpayer under one of the two following methods:

23 1. METHOD 1.

- a. Single individuals and married individuals filing separately not deducting federal income tax:
  - (1) 1/2% tax on first \$1,000.00 or part thereof,
  - (2) 1% tax on next \$1,500.00 or part thereof,
  - (3) 2% tax on next \$1,250.00 or part thereof,
  - (4) 3% tax on next \$1,150.00 or part thereof,
  - (5) 4% tax on next \$1,300.00 or part thereof,
  - (6) 5% tax on next \$1,500.00 or part thereof,
  - (7) 6% tax on next \$2,300.00 or part thereof, and
  - (8) (a) for taxable years beginning after December 31, 1998, and before January 1, 2002, 6.75% tax on the remainder,
    - (b) for taxable years beginning on or after January 1, 2002, and before January 1, 2004, 7% tax on the remainder, and
    - (c) for taxable years beginning on or after January 1, 2004, 6.65% tax on the remainder.
- b. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code of 1986, as amended, and heads of households as defined in the Internal Revenue Code of 1986, as amended, not deducting federal income tax:

- (1) 1/2% tax on first \$2,000.00 or part thereof,
- (2) 1% tax on next \$3,000.00 or part thereof,
- (3) 2% tax on next \$2,500.00 or part thereof,
- (4) 3% tax on next \$2,300.00 or part thereof,
- (5) 4% tax on next \$2,400.00 or part thereof,
- (6) 5% tax on next \$2,800.00 or part thereof,
- (7) 6% tax on next \$6,000.00 or part thereof, and
- (8) (a) for taxable years beginning after December 31, 1998, and before January 1, 2002, 6.75% tax on the remainder,  
(b) for taxable years beginning on or after January 1, 2002, and before January 1, 2004, 7% tax on the remainder, and  
(c) for taxable years beginning on or after January 1, 2004, 6.65% tax on the remainder.

## 2. METHOD 2.

a. Single individuals and married individuals filing separately deducting federal income tax:

- (1) 1/2% tax on first \$1,000.00 or part thereof,
- (2) 1% tax on next \$1,500.00 or part thereof,
- (3) 2% tax on next \$1,250.00 or part thereof,
- (4) 3% tax on next \$1,150.00 or part thereof,
- (5) 4% tax on next \$1,200.00 or part thereof,
- (6) 5% tax on next \$1,400.00 or part thereof,

- (7) 6% tax on next \$1,500.00 or part thereof,
- (8) 7% tax on next \$1,500.00 or part thereof,
- (9) 8% tax on next \$2,000.00 or part thereof,
- (10) 9% tax on next \$3,500.00 or part thereof, and
- (11) 10% tax on the remainder.

b. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code of 1986, as amended, and heads of households as defined in the Internal Revenue Code of 1986, as amended, deducting federal income tax:

- (1) 1/2% tax on the first \$2,000.00 or part thereof,
- (2) 1% tax on the next \$3,000.00 or part thereof,
- (3) 2% tax on the next \$2,500.00 or part thereof,
- (4) 3% tax on the next \$1,400.00 or part thereof,
- (5) 4% tax on the next \$1,500.00 or part thereof,
- (6) 5% tax on the next \$1,600.00 or part thereof,
- (7) 6% tax on the next \$1,250.00 or part thereof,
- (8) 7% tax on the next \$1,750.00 or part thereof,
- (9) 8% tax on the next \$3,000.00 or part thereof,
- (10) 9% tax on the next \$6,000.00 or part thereof, and
- (11) 10% tax on the remainder.

1       B. Individuals. For all taxable years beginning on or after  
2 January 1, 2008, and ending any tax year which begins after December  
3 31, 2015, for which the determination required pursuant to Sections  
4 2355.1F and 2355.1G of this title is made by the State Board of  
5 Equalization, a tax is hereby imposed upon the Oklahoma taxable  
6 income of every resident or nonresident individual, which tax shall  
7 be computed as follows:

8       1. Single individuals and married individuals filing  
9 separately:

- 10           (a) 1/2% tax on first \$1,000.00 or part thereof,
- 11           (b) 1% tax on next \$1,500.00 or part thereof,
- 12           (c) 2% tax on next \$1,250.00 or part thereof,
- 13           (d) 3% tax on next \$1,150.00 or part thereof,
- 14           (e) 4% tax on next \$2,300.00 or part thereof,
- 15           (f) 5% tax on next \$1,500.00 or part thereof,
- 16           (g) 5.50% tax on the remainder for the 2008 tax year and  
17               any subsequent tax year unless the rate prescribed by  
18               subparagraph (h) of this paragraph is in effect, and
- 19           (h) 5.25% tax on the remainder for the 2009 and subsequent  
20               tax years. The decrease in the top marginal  
21               individual income tax rate otherwise authorized by  
22               this subparagraph shall be contingent upon the  
23               determination required to be made by the State Board

of Equalization pursuant to Section 2355.1A of this title.

2. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code of 1986, as amended, and heads of households as defined in the Internal Revenue Code of 1986, as amended:

- (a) 1/2% tax on first \$2,000.00 or part thereof,
- (b) 1% tax on next \$3,000.00 or part thereof,
- (c) 2% tax on next \$2,500.00 or part thereof,
- (d) 3% tax on next \$2,300.00 or part thereof,
- (e) 4% tax on next \$2,400.00 or part thereof,
- (f) 5% tax on next \$2,800.00 or part thereof,
- (g) 5.50% tax on the remainder for the 2008 tax year and any subsequent tax year unless the rate prescribed by subparagraph (h) of this paragraph is in effect, and
- (h) 5.25% tax on the remainder for the 2009 and subsequent tax years. The decrease in the top marginal individual income tax rate otherwise authorized by this subparagraph shall be contingent upon the determination required to be made by the State Board of Equalization pursuant to Section 2355.1A of this title.

1 C. Individuals. For tax years 2024 and 2025, a tax is hereby  
2 imposed upon the Oklahoma taxable income of every resident or  
3 nonresident individual, which tax shall be computed as follows:

4 1. Single individuals and married individuals filing  
5 separately:

- 6 (a) 0.25% tax on first \$1,000.00 or part thereof,
- 7 (b) 0.75% tax on next \$1,500.00 or part thereof,
- 8 (c) 1.75% tax on next \$1,250.00 or part thereof,
- 9 (d) 2.75% tax on next \$1,150.00 or part thereof,
- 10 (e) 3.75% tax on next \$2,300.00 or part thereof, and
- 11 (f) 4.75% tax on the remainder.

12 2. Married individuals filing jointly and surviving spouse to  
13 the extent and in the manner that a surviving spouse is permitted to  
14 file a joint return under the provisions of the Internal Revenue  
15 Code of 1986, as amended, and heads of households as defined in the  
16 Internal Revenue Code of 1986, as amended:

- 17 (a) 0.25% tax on first \$2,000.00 or part thereof,
- 18 (b) 0.75% tax on next \$3,000.00 or part thereof,
- 19 (c) 1.75% tax on next \$2,500.00 or part thereof,
- 20 (d) 2.75% tax on next \$2,300.00 or part thereof,
- 21 (e) 3.75% tax on next \$4,600.00 or part thereof, and
- 22 (f) 4.75% tax on the remainder.

23 No deduction for federal income taxes paid shall be allowed to  
24 any taxpayer to arrive at taxable income.

1       D. Individuals. For tax year 2026 and for subsequent tax years  
2 subject to rate reductions as provided by subsection E of this  
3 section, a tax is hereby imposed upon the Oklahoma taxable income of  
4 every resident or nonresident individual, which tax shall be  
5 computed as follows:

6       1. Single individuals and married individuals filing  
7 separately:

- 8           (a) 0% tax on first \$3,750.00 or part thereof,
- 9           (b) 2.5% tax on the next \$1,150.00 or part thereof,
- 10          (c) 3.5% tax on next \$2,300.00 or part thereof, and
- 11          (d) 4.5% tax on the remainder.

12       2. Married individuals filing jointly and surviving spouse to  
13 the extent and in the manner that a surviving spouse is permitted to  
14 file a joint return under the provisions of the Internal Revenue  
15 Code of 1986, as amended, and heads of households as defined in the  
16 Internal Revenue Code of 1986, as amended:

- 17           (a) 0% tax on first \$7,500.00 or part thereof,
- 18           (b) 2.5% tax on the next \$2,300.00 or part thereof,
- 19           (c) 3.5% tax on next \$4,600.00 or part thereof, and
- 20           (d) 4.5% tax on the remainder.

21       No deduction for federal income taxes paid shall be allowed to  
22 any taxpayer to arrive at taxable income.

23       E. As provided by subsection D of Section 34.103 of Title 62 of  
24 the Oklahoma Statutes, if the comparison year total collections

1 exceeds the base year total collections plus the income tax rate  
2 reduction threshold, as certified by the State Board of Equalization  
3 pursuant to paragraph 2 of subsection D of Section 34.103 of Title  
4 62 of the Oklahoma Statutes, the tax rates otherwise prescribed in  
5 paragraphs 1 and 2 of subsection D of this section shall each be  
6 reduced by twenty-five one-hundredths (0.25) of a percentage point  
7 (0.0025) until the applicable rate equals zero percent (0%). Each  
8 successive certification by the State Board of Equalization with  
9 respect to which the comparison year total collections exceeds the  
10 base year total collections plus the income tax rate reduction  
11 threshold, as determined by the State Board of Equalization as  
12 provided by subsection D of Section 34.103 of Title 62 of the  
13 Oklahoma Statutes, shall further reduce the individual income tax  
14 rates by twenty-five one-hundredths (0.25) of a percentage point  
15 (0.0025) until the applicable rate equals zero percent (0%). Any  
16 reduction in the income tax rates authorized by this section and by  
17 ~~this act~~ Sections 34.103 and 34.103A of Title 62 of the Oklahoma  
18 Statutes shall take effect on January 1 following the final  
19 certification by the State Board of Equalization, if any, made  
20 during its meeting in February each year.

21 F. If a revenue failure is declared pursuant to the provisions  
22 of Section 34.49 of Title 62 of the Oklahoma Statutes prior to the  
23 end of the calendar year in which the Board makes a certification  
24 pursuant to paragraph 2 of subsection D of Section 34.103 of Title

1 62 of the Oklahoma Statutes, the reduction in tax rates, as  
2 otherwise provided for in this section, shall not occur until a  
3 subsequent certification is made by the State Board of Equalization  
4 pursuant to paragraph 2 of subsection D of Section 34.103 of Title  
5 62 of the Oklahoma Statutes.

6 G. Nonresident aliens. In lieu of the rates set forth in  
7 subsection A above, there shall be imposed on nonresident aliens, as  
8 defined in the Internal Revenue Code of 1986, as amended, a tax of  
9 eight percent (8%) instead of thirty percent (30%) as used in the  
10 Internal Revenue Code of 1986, as amended, with respect to the  
11 Oklahoma taxable income of such nonresident aliens as determined  
12 under the provision of the Oklahoma Income Tax Act.

13 Every payer of amounts covered by this subsection shall deduct  
14 and withhold from such amounts paid each payee an amount equal to  
15 eight percent (8%) thereof. Every payer required to deduct and  
16 withhold taxes under this subsection shall for each quarterly period  
17 on or before the last day of the month following the close of each  
18 such quarterly period, pay over the amount so withheld as taxes to  
19 the Oklahoma Tax Commission, and shall file a return with each such  
20 payment. Such return shall be in such form as the Tax Commission  
21 shall prescribe. Every payer required under this subsection to  
22 deduct and withhold a tax from a payee shall, as to the total  
23 amounts paid to each payee during the calendar year, furnish to such  
24 payee, on or before January 31 of the succeeding year, a written

1 statement showing the name of the payer, the name of the payee and  
2 the payee's Social Security account number, if any, the total amount  
3 paid subject to taxation, and the total amount deducted and withheld  
4 as tax and such other information as the Tax Commission may require.  
5 Any payer who fails to withhold or pay to the Tax Commission any  
6 sums herein required to be withheld or paid shall be personally and  
7 individually liable therefor to the State of Oklahoma.

8 H. Corporations. For all taxable years beginning after  
9 December 31, 2021, a tax is hereby imposed upon the Oklahoma taxable  
10 income of every corporation doing business within this state or  
11 deriving income from sources within this state in an amount equal to  
12 four percent (4%) thereof. Provided, for tax year 2026 and  
13 subsequent tax years, the income tax imposed upon the Oklahoma  
14 taxable income of every corporation exclusively owned by citizens of  
15 the United States doing business within this state or deriving  
16 income from sources within this state shall be zero percent (0%).

17 There shall be no additional Oklahoma income tax imposed on  
18 accumulated taxable income or on undistributed personal holding  
19 company income as those terms are defined in the Internal Revenue  
20 Code of 1986, as amended.

21 I. Certain foreign corporations. In lieu of the tax imposed in  
22 the first paragraph of subsection G of this section, for all taxable  
23 years beginning after December 31, 2021, there shall be imposed on  
24 foreign corporations, as defined in the Internal Revenue Code of

1 1986, as amended, a tax of four percent (4%) instead of thirty  
2 percent (30%) as used in the Internal Revenue Code of 1986, as  
3 amended, where such income is received from sources within this  
4 state, in accordance with the provisions of the Internal Revenue  
5 Code of 1986, as amended, and the Oklahoma Income Tax Act.

6 Every payer of amounts covered by this subsection shall deduct  
7 and withhold from such amounts paid each payee an amount equal to  
8 four percent (4%) thereof. Every payer required to deduct and  
9 withhold taxes under this subsection shall for each quarterly period  
10 on or before the last day of the month following the close of each  
11 such quarterly period, pay over the amount so withheld as taxes to  
12 the Tax Commission, and shall file a return with each such payment.  
13 Such return shall be in such form as the Tax Commission shall  
14 prescribe. Every payer required under this subsection to deduct and  
15 withhold a tax from a payee shall, as to the total amounts paid to  
16 each payee during the calendar year, furnish to such payee, on or  
17 before January 31 of the succeeding year, a written statement  
18 showing the name of the payer, the name of the payee and the payee's  
19 Social Security account number, if any, the total amounts paid  
20 subject to taxation, the total amount deducted and withheld as tax,  
21 and such other information as the Tax Commission may require. Any  
22 payer who fails to withhold or pay to the Tax Commission any sums  
23 herein required to be withheld or paid shall be personally and  
24 individually liable therefor to the State of Oklahoma.

1       J. Fiduciaries. A tax is hereby imposed upon the Oklahoma  
2 taxable income of every trust and estate at the same rates as are  
3 provided in subsections B through D of this section for single  
4 individuals. Fiduciaries are not allowed a deduction for any  
5 federal income tax paid.

6       K. Tax rate tables. For all taxable years beginning after  
7 December 31, 1991, in lieu of the tax imposed by subsections A  
8 through D of this section, as applicable there is hereby imposed for  
9 each taxable year on the taxable income of every individual, whose  
10 taxable income for such taxable year does not exceed the ceiling  
11 amount, a tax determined under tables, applicable to such taxable  
12 year which shall be prescribed by the Tax Commission and which shall  
13 be in such form as it determines appropriate. In the table so  
14 prescribed, the amounts of the tax shall be computed on the basis of  
15 the rates prescribed by subsections A through D of this section.  
16 For purposes of this subsection, the term "ceiling amount" means,  
17 with respect to any taxpayer, the amount determined by the Tax  
18 Commission for the tax rate category in which such taxpayer falls.

19       SECTION 2.       AMENDATORY       68 O.S. 2021, Section 2370, is  
20 amended to read as follows:

21       Section 2370. A. For taxable years beginning after December  
22 31, 2021, for the privilege of doing business within this state,  
23 every state banking association, national banking association and  
24 credit union organized under the laws of this state, located or

1 doing business within the limits of ~~the State of Oklahoma~~ this state  
2 shall annually pay to this state a privilege tax at the rate of four  
3 percent (4%) of the amount of the taxable income as provided in this  
4 section. Provided, for tax year 2026 and subsequent tax years,  
5 every state banking association, national banking association, and  
6 credit union organized under the laws of this state and exclusively  
7 owned by citizens of the United States, located or doing business  
8 within the limits of this state, shall annually pay to this state a  
9 privilege tax at the rate of zero percent (0%) of the amount of the  
10 taxable income as provided in this section.

11 B. 1. The privilege tax levied by this section shall be in  
12 addition to the Business Activity Tax levied in Section 1218 of this  
13 title and the franchise tax levied in Article 12 of this title and  
14 in lieu of the tax levied by Section 2355 of this title and in lieu  
15 of all taxes levied by ~~the State of Oklahoma~~ this state, or any  
16 subdivision thereof, upon the shares of stock or personal property  
17 of any banking association or credit union subject to taxation under  
18 this section.

19 2. Nothing in this section shall be construed to exempt the  
20 real property of any banking associations or credit unions from  
21 taxation to the same extent, according to its value, as other real  
22 property is taxed. Nothing herein shall be construed to exempt an  
23 association from payment of any fee or tax authorized or levied  
24 pursuant to the banking laws.

1       3. Personal property which is subject to a lease agreement  
2       between a bank or credit union, as lessor, and a nonbanking business  
3       entity or individual, as lessee, is not exempt from personal  
4       property ad valorem taxation. Provided further, that it shall be  
5       the duty of the lessee of such personal property to return sworn  
6       lists or schedules of their taxable property within each county to  
7       the county assessor of such county as provided in Sections 2433 and  
8       2434 of this title.

9       C. Any tax levied under this section shall accrue on the last  
10      day of the taxable year and be payable as provided in Section 2375  
11      of this title. The accrual of such tax for the first taxable year  
12      to which ~~this act~~ the Oklahoma Income Tax Act applies, shall apply  
13      notwithstanding the prior accrual of a tax in the same taxable year  
14      based upon the net income of the next preceding taxable year;  
15      provided, however, any additional deduction enuring to the benefit  
16      of the taxpayer shall be deducted in accordance with the optional  
17      transitional deduction procedures in Section 2354 of this title.

18       D. The basis of the tax shall be United States taxable income  
19      as defined in paragraph 10 of Section 2353 of this title and any  
20      adjustments thereto under the provisions of Section 2358 of this  
21      title with the following adjustments:

22       1. There shall be deducted all interest income on obligations  
23      of the United States government and agencies thereof not otherwise  
24      exempted and all interest income on obligations of ~~the State of~~

1      Oklahoma this state or political subdivisions thereof, including  
2      public trust authorities, not otherwise exempted under the laws of  
3      this state; and

4              2. Expense deductions claimed in arriving at taxable income  
5      under paragraph 10 of Section 2353 of this title shall be reduced by  
6      an amount equal to fifty percent (50%) of excluded interest income  
7      on obligations of the United States government or agencies thereof  
8      and obligations of ~~the State of Oklahoma~~ this state or political  
9      subdivisions thereof.

10              E. 1. Except as otherwise provided in paragraph 2 of this  
11      subsection, before January 1, 2017, there shall be allowed a credit  
12      against the tax levied in subsection A of this section in an amount  
13      equal to the amount of taxable income received by a participating  
14      financial institution as defined in Section 90.2 of Title 62 of the  
15      Oklahoma Statutes pursuant to a loan made under the Rural Economic  
16      Development Loan Act. Such credit shall be limited each year to  
17      five percent (5%) of the amount of annual payroll certified by the  
18      Oklahoma Rural Economic Development Loan Program Review Board  
19      pursuant to the provisions of paragraph 3 of subsection B of Section  
20      90.4 of Title 62 of the Oklahoma Statutes with respect to the loan  
21      made by the participating financial institution and may be claimed  
22      for any number of years necessary until the amount of total credits  
23      claimed is equal to the total amount of taxable income received by  
24      the participating financial institution pursuant to the loan. Any

1 credit allowed but not used in a taxable year may be carried forward  
2 for a period not to exceed five (5) taxable years. In no event  
3 shall a credit allowed pursuant to the provisions of this subsection  
4 be transferable or refundable.

5 2. No credit otherwise authorized by the provisions of this  
6 subsection may be claimed for any event, transaction, investment,  
7 expenditure or other act occurring on or after July 1, 2010, for  
8 which the credit would otherwise be allowable. The provisions of  
9 this paragraph shall cease to be operative on July 1, 2012.

10 Beginning July 1, 2012, the credit authorized by this subsection may  
11 be claimed for any event, transaction, investment, expenditure or  
12 other act occurring on or after July 1, 2012, according to the  
13 provisions of this subsection.

14 SECTION 3. This act shall become effective November 1, 2026.  
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