

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 223

By: Nice

AS INTRODUCED

An Act relating to income tax; amending 68 O.S. 2021, Section 2357, which relates to credits against income tax; updating statutory references; authorizing claim for child tax credit in the tax year for which certain stillborn birth certificates are issued; prescribing calculation of credit amount; authorizing the Oklahoma Tax Commission to promulgate rules; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357, is amended to read as follows:

Section 2357. A. The withheld taxes and estimated taxes paid shall be allowed as credits as provided by law.

B. 1. There shall be allowed as a credit against the tax imposed by Section 2355 of this title the amount of tax paid another state by a resident individual, as defined in paragraph 4 of Section 2353 of this title, upon income received as compensation for personal services in such other state; provided, such credit shall not be allowed with respect to any income specified in Section 114 of Title 4 of the United States Code, 4 U.S.C., Section 114, upon

1 which a state is prohibited from imposing an income tax. The credit  
2 shall not exceed such proportion of the tax payable under Section  
3 2355 of this title as the compensation for personal services subject  
4 to tax in the other state and also taxable under Section 2355 of  
5 this title bears to the Oklahoma adjusted gross income as defined in  
6 paragraph 13 of Section 2353 of this title.

7 2. For tax years beginning after December 31, 2007, there shall  
8 be allowed to a resident individual or part-year resident individual  
9 or nonresident individual member of the Armed Forces as a credit  
10 against the tax imposed by Section 2355 of this title twenty percent  
11 (20%) of the credit for child care expenses allowed under the  
12 Internal Revenue Code of ~~the United States~~ 1986, as amended, or five  
13 percent (5%) of the child tax credit allowed under the Internal  
14 Revenue Code of 1986, as amended, whichever amount is greater.

15 Neither credit authorized by this paragraph shall exceed the tax  
16 imposed by Section 2355 of this title. The maximum child care  
17 credit allowable on the Oklahoma income tax return shall be prorated  
18 on the ratio that Oklahoma adjusted gross income bears to the  
19 federal adjusted gross income. The credit authorized by this  
20 paragraph shall not be claimed by any taxpayer if the federal  
21 adjusted gross income reflected on the Oklahoma return for the  
22 taxpayer is in excess of One Hundred Thousand Dollars (\$100,000.00).

23 C. For tax year 2026 and subsequent tax years, a taxpayer may  
24 claim the child tax credit allowed pursuant to paragraph 2 of

1 subsection B of this section for each birth that a certificate of  
2 birth resulting in stillbirth has been issued pursuant to Section 1-  
3 318.2 of Title 63 of the Oklahoma Statutes, if the child otherwise  
4 would have been a member of the household of the taxpayer. The  
5 taxpayer may claim the credit only in the tax year in which the  
6 stillbirth occurred. The credit authorized pursuant to this  
7 subsection shall be five percent (5%) of the child tax credit that  
8 would be allowed under the Internal Revenue Code of 1986, as  
9 amended, if the child were a dependent and a member of the  
10 household. The Oklahoma Tax Commission may promulgate rules to  
11 enforce the provisions of this subsection.

12 SECTION 2. This act shall become effective November 1, 2025.

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