

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	SB291
Version:	ENGR
Request Number:	
Author:	Rep. Kendrix
Date:	4/8/2025
Impact:	FY28: Unknown decrease in revenue

Research Analysis

Engrossed SB291 requires the State Board of Equalization to compare the appropriations authority from year over year and certify the percentage growth of these two figures at its February meeting each year. For any year that the appropriation authority grew by more than 10 percent, the BOE will make a separate certification that will trigger a new refundable income tax credit. When triggered, the measure directs the Oklahoma Tax Commission to publish the credit amount on its website, which is based on the filing status of the taxpayer and is calculated as follows:

married filing jointly: amount of revenue exceeding five percent of growth / the number of returns filed for the second preceding tax year * 2.01

all other filers: amount of revenue exceeding five percent of growth / the number of returns filed for the second preceding tax year * 1.005

If a revenue failure is declared prior to November 1 of the year that a tax credit is provided for, the authorization for the credit is rescinded.

Prepared By: Quyen Do

Fiscal Analysis

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:**FY26:\$0****FY27:\$0****FY28: Unknown decrease in income tax collections.**

ANALYSIS: The Engrossed¹ version of SB 291 proposes to enact a new refundable income tax credit, contingent upon the State Board of Equalization (BOE) making certain findings of growth in amounts available for appropriation pursuant to Oklahoma Constitution, Art. X, § 23, 1. If in February 2026, the BOE certifies amounts available for appropriation in FY27 exceed by 10% the amounts available for appropriation for FY26 as certified in February 2025, the Oklahoma Tax Commission (OTC) is required to calculate the amount of a refundable income tax credit available for tax year 2027. The credit is calculated by using the amount of revenues exceeding 5% of the growth certified for FY27 over FY26 divided by the sum of the number of returns filed for tax year 2024² and multiplied by 2.01 for married filing joint returns and 1.005 for all other filing statuses.

It is unknown if the FY27 amounts available for appropriation will exceed the FY26 amounts available for appropriation when the BOE meets in February 2026. Any potential decrease in income tax collections should occur in FY28 when the tax year 2027 returns are filed.

ADMINISTRATIVE CONCERNS: This measure does not specify eligibility to receive the refundable credit. Individuals with no income tax filing requirement or a non-Oklahoma resident could file a claim for refund. This is a significant administrative burden on the OTC.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.