



BILL/VERSION:	HB 2646 / Engrossed	ANALYST: MK
AUTHORS:	Rep. Fetgatter & Sen. Frix	DATE: 3/28/2025
TAX(ES):	Income Tax	
SUBJECT(S):	Itemized Deductions Cap – Wagering Losses	
EFFECTIVE DATE:	November 1, 2025	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:
FY26: \$25.403 million decrease in income tax collections.

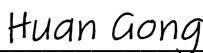

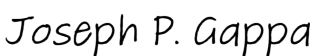
ANALYSIS: The Engrossed¹ version of HB 2646 proposes to amend 68 O.S. § 2358(E)(3)(b), relating to itemized deductions allowable on an Oklahoma income tax return, by exempting wagering losses deductible for federal income tax purposes from the current Oklahoma itemized deduction cap of \$17,000², effective for tax year 2025 and subsequent tax years. The effects of this proposal were estimated using the Oklahoma Individual Income Tax Microsimulation Model.

Tax Year	Change in Collections
2025	-\$25,403,000
2026	-\$26,690,000
2027	-\$28,313,000

No changes to withholding or estimated tax payments are expected; the full impact for tax year 2025 should occur in FY26 when the 2025 individual income tax returns are filed.

¹ The Engrossed version has no substantive language change from the Committee Substitute (revenue impact statement dated 2/17/2025)

² Charitable contributions and medical expenses deductible for federal income tax purposes are not subject to the \$17,000 cap on Oklahoma itemized deductions.

3/28/25	
DATE	DR. HUAN GONG, CHIEF TAX ECONOMIST
4/1/25	
DATE	MARIE SCHUBLE, DIVISION DIRECTOR
4/1/25	
DATE	JOSEPH P. GAPPA, FOR THE COMMISSION