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<b>BILL/VERSION:</b>	SB 1302 / Introduced	<b>ANALYST:</b> MK
<b>AUTHORS:</b>	Senator Kirt	<b>DATE:</b> 12/29/2025
<b>TAX(ES):</b>	Income Tax	
<b>SUBJECT(S):</b>	Individual Income Rate Reduction Trigger	
<b>EFFECTIVE DATE:</b>	November 1, 2026	<b>Emergency</b> <input type="checkbox"/>

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**ESTIMATED REVENUE IMPACT:**

**FY27: None**  
**FY28: None**

**ANALYSIS:** The Introduced Version of SB 1302 proposes to amend 62 O.S. § 34.103<sup>1</sup> by eliminating the income tax rate reduction trigger based on total collections. Under current law, this trigger could potentially reduce individual income tax rates by 0.25% across all brackets beginning with tax year 2028. The elimination of the trigger has no effect on income tax collections since the earliest tax year that a rate reduction could be triggered is tax year 2028.<sup>2</sup>

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<sup>1</sup> 68 O.S. § 2355 is also amended to remove language related to the trigger mechanism in 62 O.S. § 34.103.

<sup>2</sup> In the December 2026 meeting, the State Board of Equalization (BOE) is required to make a preliminary certification and report of the base year total collections, the income tax rate reduction threshold and comparison year total collections. If the comparison year total collections amount is greater than the sum of the base year total collections and the income tax reduction cost threshold, an income tax rate reduction of 0.25% across all brackets would be triggered for the tax year starting January 1, 2028, following the final February 2027 certification by the BOE that the income tax rate reduction is authorized. This process is repeated every December and February until the individual income tax rate is zero.

1/4/2026

DATE

*Huan Gong*

DR. HUAN GONG, CHIEF TAX ECONOMIST

1/16/26

DATE

*Marie Schuble*

MARIE SCHUBLE, DIVISION DIRECTOR

1/16/26

DATE

*Joseph P. Gappa*

JOSEPH P. 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. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.*