



BILL/VERSION: SB 323 / INTRODUCED **ANALYST:** MK
AUTHORS: Sen. Deevers **DATE:** 1/20/2025
TAX(ES): Income Tax
SUBJECT(S): Corporate Income Tax – Rate Reduction
EFFECTIVE DATE: November 1, 2025 **Emergency** ☐

ESTIMATED REVENUE IMPACT:

FY26: Decrease in income tax collections of \$306.9 million.

FY27: Decrease in income tax collections of \$418.3 million.

FY28: Decrease in income tax collections of \$626.7 million.

ANALYSIS: SB 323 propose to amend 68 O.S. §§ 2355 and 2370 by decreasing the corporate income tax rate and the bank “in lieu tax” rate to 3% for tax year 2025; 2% for tax year 2026 and 1% for tax year 2027 and 0% for tax year 2028 and subsequent tax years. The current corporate income tax rate and bank “in lieu tax” rate is 4%. The proposed tax rate reductions were estimated using the Oklahoma Tax Commission FY26-FY28 forecast for corporate income tax.

FY EFFECT INCOME TAX - PHASED IN CORPORATE RATE REDUCTION				
FY CONVERSION		FY26 ¹	FY27	FY28
Tax year 2025	-\$149,610,000	-\$149,610,000		
Tax year 2026	-\$314,496,000	-\$157,248,000	-\$157,248,000	
Tax year 2027	-\$522,042,000		-\$261,021,000	-\$261,021,000
Tax year 2028	-\$731,285,000			-\$365,643,000
FY TOTAL		-\$306,858,000	-\$418,269,000	-\$626,664,000

¹ Due to the effective date of this measure, it is expected that all of tax year 2025 impact should occur in FY26.

1/20/25

DATE

Huan Gong

DR. HUAN GONG, CHIEF TAX ECONOMIST

1/21/25

DATE

Marie Schuble

MARIE SCHUBLE, DIVISION DIRECTOR

2/3/25

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.