

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 2156

By: Deever

AS INTRODUCED

An Act relating to tax; amending 68 O.S. 2021, Section 2355, as last amended by Section 2, Chapter 307, O.S.L. 2025 (68 O.S. Supp. 2025, Section 2355), which relates to income tax; modifying certain income tax rate for certain tax years; eliminating certain duties imposed upon the State Board of Equalization; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2355, as last amended by Section 2, Chapter 307, O.S.L. 2025 (68 O.S. Supp. 2025, Section 2355), is amended to read as follows:

Section 2355. A. Individuals. For all taxable years beginning after December 31, 1998, and before January 1, 2006, a tax is hereby imposed upon the Oklahoma taxable income of every resident or nonresident individual, which tax shall be computed at the option of the taxpayer under one of the two following methods:

1. METHOD 1.

a. Single individuals and married individuals filing separately not deducting federal income tax:

- (1) 1/2% tax on first \$1,000.00 or part thereof,
- (2) 1% tax on next \$1,500.00 or part thereof,
- (3) 2% tax on next \$1,250.00 or part thereof,
- (4) 3% tax on next \$1,150.00 or part thereof,
- (5) 4% tax on next \$1,300.00 or part thereof,
- (6) 5% tax on next \$1,500.00 or part thereof,
- (7) 6% tax on next \$2,300.00 or part thereof, and
- (8) (a) for taxable years beginning after December 31, 1998, and before January 1, 2002, 6.75% tax on the remainder,
- (b) for taxable years beginning on or after January 1, 2002, and before January 1, 2004, 7% tax on the remainder, and
- (c) for taxable years beginning on or after January 1, 2004, 6.65% tax on the remainder.

b. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code of 1986, as amended, and heads of households as defined in the Internal Revenue Code of 1986, as amended, not deducting federal income tax:

- (1) 1/2% tax on first \$2,000.00 or part thereof,
- (2) 1% tax on next \$3,000.00 or part thereof,

- (3) 2% tax on next \$2,500.00 or part thereof,
- (4) 3% tax on next \$2,300.00 or part thereof,
- (5) 4% tax on next \$2,400.00 or part thereof,
- (6) 5% tax on next \$2,800.00 or part thereof,
- (7) 6% tax on next \$6,000.00 or part thereof, and
- (8) (a) for taxable years beginning after December 31, 1998, and before January 1, 2002, 6.75% tax on the remainder,
- (b) for taxable years beginning on or after January 1, 2002, and before January 1, 2004, 7% tax on the remainder, and
- (c) for taxable years beginning on or after January 1, 2004, 6.65% tax on the remainder.

2. METHOD 2.

- a. Single individuals and married individuals filing separately deducting federal income tax:

- (1) 1/2% tax on first \$1,000.00 or part thereof,
- (2) 1% tax on next \$1,500.00 or part thereof,
- (3) 2% tax on next \$1,250.00 or part thereof,
- (4) 3% tax on next \$1,150.00 or part thereof,
- (5) 4% tax on next \$1,200.00 or part thereof,
- (6) 5% tax on next \$1,400.00 or part thereof,
- (7) 6% tax on next \$1,500.00 or part thereof,
- (8) 7% tax on next \$1,500.00 or part thereof,

- (9) 8% tax on next \$2,000.00 or part thereof,
- (10) 9% tax on next \$3,500.00 or part thereof, and
- (11) 10% tax on the remainder.

b. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code of 1986, as amended, and heads of households as defined in the Internal Revenue Code of 1986, as amended, deducting federal income tax:

- (1) 1/2% tax on the first \$2,000.00 or part thereof,
- (2) 1% tax on the next \$3,000.00 or part thereof,
- (3) 2% tax on the next \$2,500.00 or part thereof,
- (4) 3% tax on the next \$1,400.00 or part thereof,
- (5) 4% tax on the next \$1,500.00 or part thereof,
- (6) 5% tax on the next \$1,600.00 or part thereof,
- (7) 6% tax on the next \$1,250.00 or part thereof,
- (8) 7% tax on the next \$1,750.00 or part thereof,
- (9) 8% tax on the next \$3,000.00 or part thereof,
- (10) 9% tax on the next \$6,000.00 or part thereof, and
- (11) 10% tax on the remainder.

B. Individuals. For all taxable years beginning on or after January 1, 2008, and ending any tax year which begins after December 31, 2015, for which the determination required pursuant to Sections

2355.1F and 2355.1G of this title is made by the State Board of Equalization, a tax is hereby imposed upon the Oklahoma taxable income of every resident or nonresident individual, which tax shall be computed as follows:

1. Single individuals and married individuals filing separately:

- (a) 1/2% tax on first \$1,000.00 or part thereof,
- (b) 1% tax on next \$1,500.00 or part thereof,
- (c) 2% tax on next \$1,250.00 or part thereof,
- (d) 3% tax on next \$1,150.00 or part thereof,
- (e) 4% tax on next \$2,300.00 or part thereof,
- (f) 5% tax on next \$1,500.00 or part thereof,
- (g) 5.50% tax on the remainder for the 2008 tax year and any subsequent tax year unless the rate prescribed by subparagraph (h) of this paragraph is in effect, and
- (h) 5.25% tax on the remainder for the 2009 and subsequent tax years. The decrease in the top marginal individual income tax rate otherwise authorized by this subparagraph shall be contingent upon the determination required to be made by the State Board of Equalization pursuant to Section 2355.1A of this title.

2. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to

1 file a joint return under the provisions of the Internal Revenue
2 Code of 1986, as amended, and heads of households as defined in the
3 Internal Revenue Code of 1986, as amended:

4 (a) 1/2% tax on first \$2,000.00 or part thereof,

5 (b) 1% tax on next \$3,000.00 or part thereof,

6 (c) 2% tax on next \$2,500.00 or part thereof,

7 (d) 3% tax on next \$2,300.00 or part thereof,

8 (e) 4% tax on next \$2,400.00 or part thereof,

9 (f) 5% tax on next \$2,800.00 or part thereof,

10 (g) 5.50% tax on the remainder for the 2008 tax year and

11 any subsequent tax year unless the rate prescribed by

12 subparagraph (h) of this paragraph is in effect, and

13 (h) 5.25% tax on the remainder for the 2009 and subsequent

14 tax years. The decrease in the top marginal

15 individual income tax rate otherwise authorized by

16 this subparagraph shall be contingent upon the

17 determination required to be made by the State Board

18 of Equalization pursuant to Section 2355.1A of this

19 title.

20 C. Individuals. For tax years 2024 and 2025, a tax is hereby
21 imposed upon the Oklahoma taxable income of every resident or
22 nonresident individual, which tax shall be computed as follows:

23 1. Single individuals and married individuals filing
24 separately:
25

- (a) 0.25% tax on first \$1,000.00 or part thereof,
- (b) 0.75% tax on next \$1,500.00 or part thereof,
- (c) 1.75% tax on next \$1,250.00 or part thereof,
- (d) 2.75% tax on next \$1,150.00 or part thereof,
- (e) 3.75% tax on next \$2,300.00 or part thereof, and
- (f) 4.75% tax on the remainder.

2. Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code of 1986, as amended, and heads of households as defined in the Internal Revenue Code of 1986, as amended:

- (a) 0.25% tax on first \$2,000.00 or part thereof,
- (b) 0.75% tax on next \$3,000.00 or part thereof,
- (c) 1.75% tax on next \$2,500.00 or part thereof,
- (d) 2.75% tax on next \$2,300.00 or part thereof,
- (e) 3.75% tax on next \$4,600.00 or part thereof, and
- (f) 4.75% tax on the remainder.

No deduction for federal income taxes paid shall be allowed to any taxpayer to arrive at taxable income.

D. Individuals. For tax year 2026 ~~and for subsequent tax years~~ ~~subject to rate reductions as provided by subsection E of this~~ ~~section, a tax is hereby imposed upon the Oklahoma taxable income of~~ ~~every resident or nonresident individual, which tax shall be~~ ~~computed as follows:~~

1 ~~1. Single individuals and married individuals filing~~
2 ~~separately:~~

3 ~~(a) 0% tax on first \$3,750.00 or part thereof,~~

4 ~~(b) 2.5% tax on the next \$1,150.00 or part thereof,~~

5 ~~(c) 3.5% tax on next \$2,300.00 or part thereof, and~~

6 ~~(d) 4.5% tax on the remainder.~~

7 ~~2. Married individuals filing jointly and surviving spouse to~~
8 ~~the extent and in the manner that a surviving spouse is permitted to~~
9 ~~file a joint return under the provisions of the Internal Revenue~~
10 ~~Code of 1986, as amended, and heads of households as defined in the~~
11 ~~Internal Revenue Code of 1986, as amended:~~

12 ~~(a) 0% tax on first \$7,500.00 or part thereof,~~

13 ~~(b) 2.5% tax on the next \$2,300.00 or part thereof,~~

14 ~~(c) 3.5% tax on next \$4,600.00 or part thereof, and~~

15 ~~(d) 4.5% tax on the remainder.~~

16 ~~No deduction for federal income taxes paid shall be allowed to~~
17 ~~any taxpayer to arrive at taxable income.~~

18 ~~E. As provided by subsection D of Section 34.103 of Title 62 of~~
19 ~~the Oklahoma Statutes, if the comparison year total collections~~
20 ~~exceeds the base year total collections plus the income tax rate~~
21 ~~reduction threshold, as certified by the State Board of Equalization~~
22 ~~pursuant to paragraph 2 of subsection D of Section 34.103 of Title~~
23 ~~62 of the Oklahoma Statutes, the tax rates otherwise prescribed in~~
24 ~~paragraphs 1 and 2 of subsection D of this section shall each be~~

1 ~~reduced by twenty five one hundredths (0.25) of a percentage point~~
2 ~~(0.0025) until the applicable rate equals zero percent (0%). Each~~
3 ~~successive certification by the State Board of Equalization with~~
4 ~~respect to which the comparison year total collections exceeds the~~
5 ~~base year total collections plus the income tax rate reduction~~
6 ~~threshold, as determined by the State Board of Equalization as~~
7 ~~provided by subsection D of Section 34.103 of Title 62 of the~~
8 ~~Oklahoma Statutes, shall further reduce the individual income tax~~
9 ~~rates by twenty five one hundredths (0.25) of a percentage point~~
10 ~~(0.0025) until the applicable rate equals zero percent (0%). Any~~
11 ~~reduction in the income tax rates authorized by this section and by~~
12 ~~this act shall take effect on January 1 following the final~~
13 ~~certification by the State Board of Equalization, if any, made~~
14 ~~during its meeting in February each year.~~

15 ~~F. If a revenue failure is declared pursuant to the provisions~~
16 ~~of Section 34.49 of Title 62 of the Oklahoma Statutes prior to the~~
17 ~~end of the calendar year in which the Board makes a certification~~
18 ~~pursuant to paragraph 2 of subsection D of Section 34.103 of Title~~
19 ~~62 of the Oklahoma Statutes, the reduction in tax rates, as~~
20 ~~otherwise provided for in this section, shall not occur until a~~
21 ~~subsequent certification is made by the State Board of Equalization~~
22 ~~pursuant to paragraph 2 of subsection D of Section 34.103 of Title~~
23 ~~62 of the Oklahoma Statutes, there shall be no tax imposed upon the~~
24 Oklahoma taxable income of any resident or nonresident individual.

1 ~~G.~~ E. Nonresident aliens. In lieu of the rates set forth in
2 subsection A above, there shall be imposed on nonresident aliens, as
3 defined in the Internal Revenue Code of 1986, as amended, a tax of
4 eight percent (8%) instead of thirty percent (30%) as used in the
5 Internal Revenue Code of 1986, as amended, with respect to the
6 Oklahoma taxable income of such nonresident aliens as determined
7 under the provision of the Oklahoma Income Tax Act.

8 Every payer of amounts covered by this subsection shall deduct
9 and withhold from such amounts paid each payee an amount equal to
10 eight percent (8%) thereof. Every payer required to deduct and
11 withhold taxes under this subsection shall for each quarterly period
12 on or before the last day of the month following the close of each
13 such quarterly period, pay over the amount so withheld as taxes to
14 the Oklahoma Tax Commission, and shall file a return with each such
15 payment. Such return shall be in such form as the Tax Commission
16 shall prescribe. Every payer required under this subsection to
17 deduct and withhold a tax from a payee shall, as to the total
18 amounts paid to each payee during the calendar year, furnish to such
19 payee, on or before January 31 of the succeeding year, a written
20 statement showing the name of the payer, the name of the payee and
21 the payee's Social Security account number, if any, the total amount
22 paid subject to taxation, and the total amount deducted and withheld
23 as tax and such other information as the Tax Commission may require.
24 Any payer who fails to withhold or pay to the Tax Commission any

1 sums herein required to be withheld or paid shall be personally and
2 individually liable therefor to the State of Oklahoma.

3 ~~H.~~ F. Corporations. For all taxable years beginning after
4 December 31, 2021, a tax is hereby imposed upon the Oklahoma taxable
5 income of every corporation doing business within this state or
6 deriving income from sources within this state in an amount equal to
7 four percent (4%) thereof.

8 There shall be no additional Oklahoma income tax imposed on
9 accumulated taxable income or on undistributed personal holding
10 company income as those terms are defined in the Internal Revenue
11 Code of 1986, as amended.

12 ~~F.~~ G. Certain foreign corporations. In lieu of the tax imposed
13 in the first paragraph of subsection ~~G~~ E of this section, for all
14 taxable years beginning after December 31, 2021, there shall be
15 imposed on foreign corporations, as defined in the Internal Revenue
16 Code of 1986, as amended, a tax of four percent (4%) instead of
17 thirty percent (30%) as used in the Internal Revenue Code of 1986,
18 as amended, where such income is received from sources within this
19 state, in accordance with the provisions of the Internal Revenue
20 Code of 1986, as amended, and the Oklahoma Income Tax Act.

21 Every payer of amounts covered by this subsection shall deduct
22 and withhold from such amounts paid each payee an amount equal to
23 four percent (4%) thereof. Every payer required to deduct and
24 withhold taxes under this subsection shall for each quarterly period

1 on or before the last day of the month following the close of each
2 such quarterly period, pay over the amount so withheld as taxes to
3 the Tax Commission, and shall file a return with each such payment.
4 Such return shall be in such form as the Tax Commission shall
5 prescribe. Every payer required under this subsection to deduct and
6 withhold a tax from a payee shall, as to the total amounts paid to
7 each payee during the calendar year, furnish to such payee, on or
8 before January 31 of the succeeding year, a written statement
9 showing the name of the payer, the name of the payee and the payee's
10 Social Security account number, if any, the total amounts paid
11 subject to taxation, the total amount deducted and withheld as tax,
12 and such other information as the Tax Commission may require. Any
13 payer who fails to withhold or pay to the Tax Commission any sums
14 herein required to be withheld or paid shall be personally and
15 individually liable therefor to the State of Oklahoma.

16 ~~J.~~ H. Fiduciaries. A tax is hereby imposed upon the Oklahoma
17 taxable income of every trust and estate at the same rates as are
18 provided in subsections B through D of this section for single
19 individuals. Fiduciaries are not allowed a deduction for any
20 federal income tax paid.

21 ~~K.~~ I. Tax rate tables. For all taxable years beginning after
22 December 31, 1991, in lieu of the tax imposed by subsections A
23 through D of this section, as applicable there is hereby imposed for
24 each taxable year on the taxable income of every individual, whose
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1 taxable income for such taxable year does not exceed the ceiling
2 amount, a tax determined under tables, applicable to such taxable
3 year which shall be prescribed by the Tax Commission and which shall
4 be in such form as it determines appropriate. In the table so
5 prescribed, the amounts of the tax shall be computed on the basis of
6 the rates prescribed by subsections A through D of this section.
7 For purposes of this subsection, the term "ceiling amount" means,
8 with respect to any taxpayer, the amount determined by the Tax
9 Commission for the tax rate category in which such taxpayer falls.

10 SECTION 2. This act shall become effective November 1, 2026.
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