

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 1454
Version:	INT
Request Number:	7164
Author:	Rep. Virgin
Date:	2/4/2019
Impact:	Tax Commission Estimate: \$25,228,000 Revenue Decrease (FY-21)

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

Analysis completed by the Tax Commission:

HB 1454 proposes to amend 68 O.S. § 2357.43 which relates to the Oklahoma Earned Income Credit. This measure proposes to reinstate the refundable aspect of this credit beginning with tax year 2020¹.

Under current law the Oklahoma Earned Income Credit is equal to 5% of the earned income credit allowed on a taxpayer's federal income tax return. This is a non-refundable tax credit with no carryover provisions².

No change to estimated tax or withholding is anticipated. The estimated revenue impact for this measure is a decrease of \$25,228,000 in income tax collections in FY21.

¹ Although the effective tax year is not specified in the proposed language, the effective date of this bill is January 1, 2020. Therefore tax year 2020 is the presumed tax year this measure goes into effect

² SB 1604 was enacted during the 2016 Legislative session which eliminated the refundable aspect of the Earned Income Tax Credit beginning with tax year 2016.

Prepared By: Mark Tygret

Other Considerations

None.