

**Bill Summary**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 169</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>1008</b>
<b>Author:</b>	<b>Sen. Young</b>
<b>Date:</b>	<b>01/07/2019</b>

**Bill Analysis**

SB 169 changes the state earned income tax credit into a refundable credit, allowing those who claim the credit to receive amounts in excess of what they owe in taxes.

Prepared by: Kalen Taylor

**OKLAHOMA TAX COMMISSION**

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 9, 2019

BILL NUMBER: SB 169 STATUS AND DATE OF BILL: Introduced 1/7/19

AUTHORS: House n/a Senate Young

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 169 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 2019.

EFFECTIVE DATE: November 1, 2019

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 20: Projected decrease of \$25,739,000 in income tax collections.

Jan. 9, 2019  
DATE

Rick Miller  
DIVISION DIRECTOR

mck

1-9-2019  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

1-10-19  
DATE

Jay Murt  
FOR THE COMMISSION

*The estimated 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.*

**ATTACHMENT TO REVENUE IMPACT - SB 169[Introduced] Prepared January 9, 2019**

SB 169 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 2019.

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 provisions<sup>1</sup>.

No change to estimated tax or withholding is anticipated. The estimated revenue impact for this measure is a decrease of \$25,739,000 in income tax collections in FY20.

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<sup>1</sup> 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.