

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2083</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>7745</b>
<b>Author:</b>	<b>Mr. Speaker</b>
<b>Date:</b>	<b>2/24/2021</b>
<b>Impact:</b>	<b>PELIMINARY ANALYSIS</b>

**Pending Tax Commission Analysis**

**For Reference:**  
**FY-22 Corporate Income Estimate:**  
**\$323,482,000**

**Twenty Percent Reduction (First Full Year Basis):**  
**(\$64,696,400)**

**Actual Fiscal Year Estimates  
To Follow from the Tax Commission**

**Research Analysis**

The proposed committee substitute for HB 2083 creates a five-year schedule to progressively reduce to zero Oklahoma taxable income for the calculation of corporate income tax for certain entities by 20 percent each year, beginning in January 2022.

The measure provides that the intent of the Legislature is to make modifications to offset potential revenue losses and to ensure that revenues apportioned to the Education Reform Revolving Fund, the Teachers' Retirement System, and the Ad Valorem Reimbursement Fund are not adversely affected.

Prepared By: Emily McPherson

**Fiscal Analysis**

The measure provides for a five year schedule which reduces Oklahoma taxable income for the purposes of calculation of the Oklahoma corporate income tax and the privilege tax for certain financial entities. Beginning in calendar year 2022 the amount of taxable income subject to the corporate tax levy will reduced by twenty percent each year until one hundred percent of is reached in calendar year 2026.

The Tax Commission is in the process of providing analysis to ensure the estimates for each fiscal year are of the highest accuracy. Estimating the impact in each fiscal year will require the Tax Commission. In addition, entities subject to the corporate income tax utilize the entity's fiscal year as their tax year.

The estimate for FY-22 corporate income tax collections totals \$323,482,000. Application of the first twenty percent reduction in taxable income (2022), the total revenue reduction would approach \$64,696,400. Section 2 of the measure states intent of the Legislature to ensure that the Education Reform (“HB 1017”) Revolving Fund, the Teachers’ Retirement System and the Ad Valorem Reimbursement Fund are not adversely affected, the revenue reduction may be realized within the General Revenue Fund.

Prepared By: Mark Tygret

**Other Considerations**

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