

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB 2962
Version:	FULLPCS1
Request Number:	8310
Author:	Mr. Speaker
Date:	5/17/2021
Impact:	Tax Commission

EITC Refundability and Rate Reductions

Revenue Decrease:

FY-22: (\$83,055,000)
FY-23: (\$236,733,000)

Research Analysis

The proposed committee substitute for HB 2962 reduces the individual income tax by 0.25 percent for all taxable years beginning on or after January 1, 2022. The measure also restores refundability of the earned income tax credit and provides that it shall be computed using the same requirements for computing the earned income tax credit for federal income tax purposes in effect for the 2020 income tax year, other than the 5 percent amount already provided for, which shall remain constant.

Prepared By: Emily McPherson

Fiscal Analysis

The measure restores the refundable provisions to the Oklahoma Earned Income Tax Credit (EITC) and reduces each nominal income tax rate by 0.25 percent, beginning with tax year 2022.

Tax Commission correspondence indicates the revenue decreases include an estimated \$83,055,000 in FY-22 and \$236,733,000 in FY-23.

Prepared By: Mark Tygret

Other Considerations

None.