

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3088</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>10872</b>
<b>Author:</b>	<b>Rep. Hilbert</b>
<b>Date:</b>	<b>3/7/2022</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Revenue Decrease**  
**Tax Year 2023**  
**(\$2,200,000)**

**Research Analysis**

Pending

Prepared By: House Research Staff

**Fiscal Analysis**

Analysis provided by the Tax Commission:

For tax year 2019, 636 taxpayers, including 123 taxpayers with a single or married filing separate status and 513 taxpayers with a married filing joint status, claimed the existing annual income tax deduction for nonrecurring adoption expenses for a total deduction amount of approximately \$4.1 million, Internet research indicates the total average cost to adopt a child in the U.S. is \$41 ,532. 1 Based on this information, the potential revenue impact of the proposal is an estimated net decrease<sup>2</sup> in income tax revenue of approximately \$2.2 million for tax year 2023, The full impact would occur in FY 24 when the 2023 income tax returns are filed.

I See <https://helpinagrowfamilies.com/oklahoma-adoption-requirements-complete-guide>

<sup>2</sup> Applying an effective income tax rate of 3.05% to the total deduction results in a related decrease in income tax revenue of approximately \$144,000. The combined increase of \$144,000 for the elimination of the deduction for adoptions expenses and the estimated decrease of \$2.3 million for the proposed adoption income tax credit results in an estimated net decrease of \$2.2 million.

Prepared By: Mark Tygret

**Other Considerations**

None.