

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	HB 3353
Version:	FULLPCS1
Request Number:	10946
Author:	Mr. Speaker
Date:	3/3/2022
Impact:	Preliminary Estimate

Value of Credit:
\$217,039,521

Net Decrease in Revenue:
(\$185,832,521)

Research Analysis

The proposed committee substitute for HB3353 increases the sales tax relief credit available to qualifying Oklahoma taxpayers for tax year 2022 through 2024. The credit amount is based on gross household income. Taxpayers who claim dependents, who are 65 years of age or older or are disabled have different income threshold.

The credit amount is as follows:

Individual taxpayers:

\$180 credit if gross household income is under \$30,000; \$90 credit if gross household income is less than \$35,000.

Taxpayers who claim a dependent, are elderly or disabled:

\$180 credit if gross household income is under \$40,000; \$135 credit if gross household income is less than \$45,000, \$90 credit if gross household income is less than \$50,000 and \$45 if gross household income is less than \$55,000.

Prepared By: Quyen Do

Fiscal Analysis

The measure expands the sales tax relief credit by increasing the per exemption amount from \$40 to \$180 and establishes a structure to provide a phase-out which is dependent on taxpayer income. The credit value will be reduced at different schedules for single filers and joint/head of household filers.

The preliminary analysis by House Fiscal staff utilizes Tax Commission return numbers by income band and applies certain average household size data from the Census Bureau. The preliminary analysis indicates the value of the reformed credit will approach \$217,039,521. As the current total credits claimed is reported as \$31,207,000 (most recent Tax Commission Tax Expenditure Report), the net decrease in revenue may approach \$185,832,521.

Prepared By: Mark Tygret

Other Considerations

Additional analysis will be required to incorporate the most accurate return data and other variables.

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