

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: March 29, 2022

BILL NUMBER: HB 3350 **STATUS AND DATE OF BILL:** Engrossed Bill 3/22/2022

AUTHORS: House McCall & McDugle Senate Treat

TAX TYPE (S): Income Tax **SUBJECT:** Tax Rate

PROPOSAL: Amendatory

HB 3350 proposes to reduce the individual income tax levied under 68 O.S. § 2355 for tax year 2023 and subsequent tax years.

EFFECTIVE DATE: January 1, 2023

REVENUE IMPACT:

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

FY 23: Decrease in income tax collections of \$88.7 million.

FY 24: Decrease in income tax collections of \$226.5 million.

Mar. 30, 2022
DATE

Rick Miller
DIVISION DIRECTOR

mk

3/30/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/31/2022
DATE

[Signature]
FOR THE COMMISSION

The 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.

FY Effect Income Tax 0.25% Rate Reduction – All Brackets

Fiscal Impact

Tax year 2023	-\$221,853,000
Tax year 2024	-\$233,593,000
Tax year 2025	-\$244,551,000

FY CONVERSION		FY23	FY24	FY25
Tax year 2023	-\$221,853,000	-\$88,741,000	-\$133,112,000	
Tax year 2024	-\$233,593,000		-\$93,437,000	-\$140,156,000
Tax year 2025	-\$244,551,000			-\$97,820,000
FY TOTAL		-\$88,741,000	-\$226,549,000	-\$237,976,000

Source: Oklahoma Individual Income Tax Micro-Simulation Model.