

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 8, 2024

BILL NUMBER: HB 3559 **STATUS AND DATE OF BILL:** Engrossed 3/6/24

AUTHORS: House: Kendrix & May Senate: Howard

TAX TYPE(S): Income **SUBJECT:** PTE Election

PROPOSAL: Amendatory


HB 3559 proposes to amend 68 O.S. §2355.1P-4, which relates to the pass-through entity tax election. Under current law, partnership and subchapter S corporations can elect to be taxed at the entity level by filing an election to that effect anytime during the tax year or 2 months and 15 days after the end of the tax year. This measure allows the election to be made by filing a timely income tax return (including extensions).¹

EFFECTIVE DATE: August 30, 2024²

REVENUE IMPACT: No impact on income tax revenue is expected as a result of this measure.

FY 25: None.

FY 26: None.

<u>3/11/24</u>	<u></u>	<u>mk</u>
DATE	MARIE SCHUBLE, DIVISION DIRECTOR	
<u>3/11/24</u>	<u>Huan Gong</u>	
DATE	HUAN GONG, ECONOMIST	
<u>3/11/2024</u>	<u>Joseph P. Gappa</u>	
DATE	JOSEPH P. GAPPA, 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.

¹ Currently, revocations of the election to be taxed at the entity level under 68 O.S. § 2355.1P-4 must be made within the same time constraints as electing to be taxed at the entity level. This measure does not alter the time requirements for revocation.

² No effective date is specified in this measure. The August 30, 2024, effective date assumes the Legislature adjourns sine die as presently scheduled on May 31, 2024.