

# OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 10, 2023

BILL NUMBER: SB 307 STATUS AND DATE OF BILL: Introduced 1/12/23

AUTHORS: House: n/a Senate: Hicks

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 307 proposes to amend the Earned Income Tax Credit (EITC) under 68 O.S. § 2357.43, limiting the requirements for computing the EITC for federal income tax purposes in effect for the 2020 income tax year to tax years 2022 and 2023.

EFFECTIVE DATE: November 1, 2023

### REVENUE IMPACT:

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

FY 24: None.

FY 25: Unknown effect on income tax revenue.

Feb. 10, 2023  
DATE

Rick Miller  
DIVISION DIRECTOR bf

2/10/2023  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

2/10/2023  
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.**

**ATTACHMENT TO REVENUE IMPACT – SB 307 [Introduced] Prepared 2/10/23**

SB 307 proposes to amend the Earned Income Tax Credit (EITC) under 68 O.S. § 2357.43, limiting the requirements for computing the EITC for federal income tax purposes in effect for the 2020 income tax year to tax years 2022 and 2023.

Currently, an Oklahoma resident individual or part-year resident individual is allowed an income tax credit of 5% of the earned income tax credit allowed under Section 32 of the Internal Revenue Code. Effective for tax year 2022 and subsequent tax years, the Oklahoma EITC must be computed using the same requirements for computing the EITC for federal income tax purposes in effect for the 2020 income tax year.

Microsimulation modeling is not available to estimate the effects of deleting the requirements for computing the EITC for federal income tax purposes in effect for the 2020 income tax year. As a result, the expected impact of the proposal is an unknown decrease in income tax revenue beginning for FY 25 when the 2024 returns are filed.