

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 367

6 By: Boren

7 COMMITTEE SUBSTITUTE

8 An Act relating to income tax; amending 68 O.S. 2021,
9 Section 2357.43, which relates to Oklahoma earned
10 income tax credit; limiting certain calculation of
11 credit to certain tax years; clarifying statutory
12 language; updating statutory references; and
13 providing an effective date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.43, is
16 amended to read as follows:

17 Section 2357.43. For tax ~~years beginning on or after January 1,~~
18 ~~2022~~ year 2002 and subsequent tax years, there shall be allowed to a
19 resident individual or a part-year resident individual as a credit
20 against the tax imposed by Section 2355 of this title five percent
21 (5%) of the earned income tax credit allowed under Section 32 of the
22 Internal Revenue Code of ~~the United States~~ 1986, as amended, 26
23 U.S.C., Section 32, which for ~~the taxable year beginning January 1,~~
24 ~~2022, and the taxable year beginning each January 1 thereafter~~ tax
years 2022 through 2025 shall be computed using the same

1 requirements, other than the five percent (5%) amount to compute the
2 credit as prescribed by this section which shall remain constant, in
3 effect for computation of the earned income tax credit for federal
4 income tax purposes for the 2020 income tax year. For tax years
5 2002 through 2021 and for tax year 2026 and subsequent tax years,
6 the credit shall be five percent (5%) of the earned income tax
7 credit allowed under 26 U.S.C., Section 32 for the applicable tax
8 year. However, this credit shall not be paid in advance pursuant to
9 the provisions of Section 3507 of the Internal Revenue Code of 1986,
10 as amended. For tax years ~~which begin on or after January 1, 2022~~
11 2002 through 2015 and tax year 2022 and subsequent tax years, if the
12 credit exceeds the tax imposed by Section 2355 of this title, the
13 excess amount shall be refunded to the taxpayer. The maximum earned
14 income tax credit allowable on the Oklahoma income tax return shall
15 be prorated on the ratio that Oklahoma adjusted gross income bears
16 to the federal adjusted gross income.

17 SECTION 2. This act shall become effective November 1, 2025.

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