

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB2646
Version:	CS
Request Number:	12997
Author:	Rep. Fetgatter
Date:	3/10/2025
Impact:	FY-2025: -\$25,403,000
	FY-2026: -\$26,690,000
	FY-2027: -\$28,313,000

Research Analysis

The committee substitute for HB2646 exempts gambling losses deductible for federal income tax purposes from the \$17,000 cap on itemized deductions beginning tax year 2025.

Prepared By: Quyen Do

Fiscal Analysis

According to the Oklahoma Tax Commission, amending the itemized deduction amount for wagering losses would decrease revenue over the next several fiscal years. Below is the numbers as provided by the Oklahoma Tax Commission.

ESTIMATED REVENUE IMPACT:
FY26: \$25.403 million decrease in income tax collections.

ANALYSIS: The PPCS to HB 2646 (Req. No. 12644)¹ proposes to amend 68 O.S. § 2358(E)(3)(b), relating to itemized deductions allowable on an Oklahoma income tax return, by exempting wagering losses deductible for federal income tax purposes from the current Oklahoma itemized deduction cap of \$17,000², effective for tax year 2025 and subsequent tax years. The effects of this proposal were estimated using the Oklahoma Individual Income Tax Microsimulation Model.

Tax Year	Change in Collections
2025	-\$25,403,000
2026	-\$26,690,000
2027	-\$28,313,000

No changes to withholding or estimated tax payments are expected; the full impact for tax year 2025 should occur in FY26 when the 2025 individual income tax returns are filed.

Prepared By: Mariah Searock, House Fiscal Staff

Other Considerations

None.

