

## REVENUE IMPACT STATEMENT 2025 REGULAR SESSION 60<sup>TH</sup> LEGISLATURE, 1<sup>ST</sup> SESSION

BILL/VERSION: SB 108 / INTRODUCED ANALYST: MK

**AUTHORS:** Sen. Frix **DATE**: 2/6/2025

**TAX(ES):** Income Tax

**SUBJECT(S):** Itemized Deductions Cap - Wagering Losses

**EFFECTIVE DATE**: November 1, 2025 **Emergency** □

## **ESTIMATED REVENUE IMPACT:**

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

**ANALYSIS:** SB 108 proposes to amend 68 O.S. § 2358(E)(3)(b), relating to itemized deductions<sup>i</sup> 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 \$17,000, 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.

2/8/25

DATE

DR. HUAN GONG, CHIEF TAX ECONOMIST

2/10/25

DATE

MARIE SCHUBLE, DIVISION DIRECTOR

2/10/25

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.

<sup>&</sup>lt;sup>1</sup> Charitable contributions and medical expenses deductible for federal income tax purposes are not subject to the \$17,000 cap on Oklahoma itemized deductions.