



BILL/VERSION: SB 309 / INTRODUCED **ANALYST:** MK
AUTHORS: Sen. Bullard **DATE:** 2/28/2025
TAX(ES): Income Tax
SUBJECT(S): Dependent Credit
EFFECTIVE DATE: November 1, 2025 **Emergency**

ESTIMATED REVENUE IMPACT:

FY26: An unknown substantial decrease in income tax collections, ranging from \$392.8 million to \$982.1 million.

ANALYSIS: SB 309 proposes to enact a new nonrefundable¹ individual income tax credit for dependent children² of married taxpayers beginning with tax year 2025. The effective date shifts the FY25 impact to FY26. The chart below shows the amount of credit per dependent child based on length of marriage and income tax filing status.

Years Married		Married Filing Jointly	Married Filing Separate
At least	Less than	Credit	Credit
1	5	\$500	\$250
5	10	\$1,000	\$500
10	15	\$1,500	\$750
15		\$2,000	\$1,000

Income tax return data does not specify the length of a marriage, so for purposes of this analysis two metrics were considered.

1. Assuming minimum credit for each dependent exemption on Oklahoma income tax returns by filing status results in a minimum of \$392.8 million credits claimed.
2. Assuming equal distribution of dependent exemptions results in an estimated \$982.1 million of credits claimed.

¹ Unused credits may be carried over for up to 5 years.

² The dependent must be a natural child of both taxpayers.

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Huan Gong

 DR. HUAN GONG, CHIEF TAX ECONOMIST

Marie Schuble

 MARIE SCHUBLE, DIVISION DIRECTOR

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 JOSEPH P. GAPPA, FOR THE COMMISSION



ADMINISTRATIVE CONCERNS:

1. The taxpayer will be required to provide multiple items of documentation, which will require system development to capture the information. There are in excess of 650,000 Oklahoma income tax returns filed using either of the married filing status' eligible for the credit.
2. Taxpayers will be required to certify:
 - a. The number of eligible dependent children residing in the household of the taxpayers for at least half of the corresponding tax year³,
 - b. The names of the taxpayers,
 - c. Date of marriage,
 - d. A copy of the marriage license issued under strict compliance with the provisions of 43 O.S. § 3, and
 - e. Provide a signed attestation, under penalty of perjury, that the marriage is continuous from the date of marriage through the corresponding tax year.
3. Oklahoma recognizes common law marriage, but there is not a certificate that would suffice as documentation per the proposal.
4. This measure does not limit the credit to Oklahoma resident or part-year resident income tax filers. Non Oklahoma resident income tax filers would be eligible for this proposed credit.

³ In order to claim married filing jointly or married filing separately filing status, the marriage does not have to be for an entire calendar year.