



BILL/VERSION: SB 322 / INTRODUCED **ANALYST:** MK
AUTHORS: Sen. Deevers **DATE:** 1/20/2025
TAX(ES): Income Tax
SUBJECT(S): Corporate Income Tax – Rate Reduction
EFFECTIVE DATE: November 1, 2025 **Emergency**

ESTIMATED REVENUE IMPACT:

FY26: Decrease in income tax collections of \$912.9 million.

FY27: Decrease in income tax collections of \$662.5 million.

ANALYSIS: SB 322 propose to amend 68 O.S. § 2355 and 68 O.S. §2370 by eliminating the corporate income tax and the bank “in lieu tax” for tax year 2025 and subsequent tax years. The current corporate income tax and bank “in lieu tax” rate is 4%. The proposed tax rate reductions were estimated using the Oklahoma Tax Commission FY26-FY28 forecast for corporate income tax.

FY EFFECT INCOME TAX - RATE TO ZERO			
FY CONVERSION		FY26 ¹	FY27
Tax year 2025	-\$598,441,000	-\$598,441,000	
Tax year 2026	-\$628,991,000	-\$314,496,000	-\$314,496,000
Tax year 2027	-\$696,056,000		-\$348,028,000
FY TOTAL		-\$912,937,000	-\$662,524,000

ADMINISTRATIVE CONCERNS: The filing and reporting requirements under 68 O.S. § 2351 et seq. have not been eliminated.

¹ Due to the effective date of this measure, it is expected that all of tax year 2025 impact should occur in FY26.

1/30/25
DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

1/30/25
DATE

Marie Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

1/31/25
DATE

Joseph P. Gappa
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.