



BILL/VERSION:	SB 367 / Committee Substitute	ANALYST: MK
AUTHORS:	Sen. Boren	DATE: 2/25/2025
TAX(ES):	Income Tax	
SUBJECT(S):	Oklahoma Earned Income Tax Credit	
EFFECTIVE DATE:	November 1, 2025	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY26: \$0

FY27: \$8.7 million decrease in income tax collections.

ANALYSIS: The Committee Substitute for SB 367 (Req. No. 1699) proposes to amend 68 O.S. § 2357.43 relating to the Oklahoma Earned Income Tax Credit. This measure eliminates the calculation methodology based on federal tax year 2020 requirements beginning with tax year 2026.¹ Results from the Oklahoma Individual income Tax Micro Simulation Model suggests an additional \$8.7 million credits would be available in tax year 2026.² No changes to withholding or estimated tax is expected so the impact of a decrease of \$8.7 million in income tax collections should occur when the 2026 income tax returns are filed by April 2027.

¹ Language related to the refundable nature of the tax credit was clarified. This clarification has no effect on income tax collections.

² For tax year 2022 the tax expenditure for this credit was \$40.3 million Oklahoma Tax Commission Tax Expenditure Report 2023-2024.

3/5/25

DATE

Huan Gong

DR. HUAN GONG, CHIEF TAX ECONOMIST

3/5/25

DATE

Marie Schuble

MARIE SCHUBLE, DIVISION DIRECTOR

3/5/25

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.