

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.: HB 3350
Version: FULLPCS1
Request Number: 10700
Author: Mr. Speaker
Date: 3/2/2022
Impact: Tax Commission:

Revenue Decrease:

FY-23: (\$88,741,000)
FY-24: (\$226,549,000)
FY-25: (\$237,976,000)

Research Analysis

The proposed committee substitute for HB3350 provides a 0.25 percent reduction in the state personal income tax rate across all tax brackets effective tax year 2023. Currently, the top marginal personal income tax rate is 4.75 percent. The measure would reduce the top rate to 4.5 percent.

Prepared By: Quyen Do

Fiscal Analysis

The measure reduces the nominal Oklahoma individual income tax rates by one-quarter of one percent (0.25%), effective in tax year 2023. The reduction will establish the top marginal rate at 4.50 percent from the current 4.75 percent. Each intermediate rate will also be reduced by 0.25%.

Microsimulation model analysis indicates the impact to income tax revenue will approach \$88,741,000 in FY-23, \$226,549,000 in FY-24 and \$237,976,000 in FY-25

<u>FY EFFECT INCOME TAX</u>				
	Fiscal Impact			
Tax year 2023	-S221,853,000			
Tax year 2024	-S233,593,000			
Tax year 2025	-S244,551,000			
FY CONVERSION		FY23	FY24	FY25
Tax year 2023	-S221,853,000	-\$88,741,000	-\$133,112,000	
Tax year 2024	-S233,593,000		-\$93,437,000	-\$140,156,000
Tax year 2025	-S244,551,000			-\$97,820,000
	FY TOTAL	-\$88,741,000	-\$226,549,000	-\$237,976,000
Source: Oklahoma Individual Income Tax Micro-Simulation Model.				

Prepared By: Mark Tygret

Other Considerations

None.

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