

**BILL SUMMARY**  
1<sup>st</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2695</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>5393</b>
<b>Author:</b>	<b>Kendrix</b>
<b>Date:</b>	<b>2/17/2023</b>
<b>Impact:</b>	<b>OTC Analysis:</b>
	<b>FY24: \$55.07 million decrease in revenues</b>

**Research Analysis**

HB2695, as introduced, ends the assessment of franchise tax and any associated reporting beginning tax year 2024.

Prepared By: Quyen Do

**Fiscal Analysis**

HB2695, as introduced, proposes to eliminate the Oklahoma franchise tax and the requirement to file a franchise tax return. This measure is expected to decrease state revenues by \$55.07 million for FY24.

As provided by the Oklahoma Tax Commission:

HB 2695 proposes to eliminate the Oklahoma franchise tax levied under 68 O.S. § 1203 and § 1204 effective for tax year 2024 and subsequent tax years.<sup>1</sup> This measure also eliminates the requirement to file a franchise tax return under 68 O.S. § 1210 which includes a statement under oath reporting the entity's president, secretary or managing officer, or managing agent in this state.<sup>2</sup>

**EFFECTIVE DATE:** November 1, 2023

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 24: Decrease in franchise tax collections of \$55.07 million<sup>3</sup>

Prepared By: Zachary Penrod, House Fiscal Staff

**Other Considerations**

None.