

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB 2730
Version:	INT
Request Number:	NA
Author:	Rep. Kendrix
Date:	2/5/2025
Impact:	FY26: \$11.8 million decrease FY27: \$17.7 million decrease

Research Analysis

HB2730, as introduced, modifies the interest rate applied to delinquent taxes and underpayment of estimated tax payments. The measure replaces existing fixed rates with a new calculation based on the Wall Street Prime rate, plus three percentage points.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB 2730 modifies the interest rate for delinquent taxes, deficiencies, refunds, and underpayments.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY26: Estimated **decrease of \$11.8 million** in state tax revenues.

FY27: Estimated **decrease of \$17.7 million** in state tax revenues.

ANALYSIS: The measure alters the current 1.25% (15% per annum) interest rate for delinquent taxes, deficiencies, refunds, and underpayments to an interest rate, plus 3 percentage points, based upon the prime rate as published in the Wall St. Journal on the first day of each calendar year.

Based on Oklahoma Tax Commission (OTC) records, and the current prime rate plus 3% (10.5%), the measure will result in an estimated decrease of \$11.8 million in FY26 and \$17.7 million in FY27, assuming stable interest rates. In addition, estimates are unknown as to the amount of interest remitted to taxpayers from refunds.

Administrative Impact:

The measure will require the OTC to reset the delinquent and deficient interest rates every year, and ensure appropriate rates are set to taxpayer accounts, particularly if delinquencies span multiple years and rates. OTC will separately have to ensure proper interest rates are applied to refunds to taxpayers. This proposal will have an administrative impact on the Oklahoma Tax Commission. We are currently assessing the extent of the impact and evaluating the associated costs.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.

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