

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

HOUSE BILL 2229

By: Munson

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 2357.43, which relates to earned income tax credits; modifying credit percentage; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.43, is amended to read as follows:

Section 2357.43. For tax years beginning on or after January 1, ~~2022~~ 2026, there shall be allowed to a resident individual or a part-year resident individual as a credit against the tax imposed by Section 2355 of this title ~~five percent (5%)~~ ten percent (10%) of the earned income tax credit allowed under Section 32 of the Internal Revenue Code of the United States, 26 U.S.C., Section 32~~7~~ ~~which for the taxable year beginning January 1, 2022, and the taxable year beginning each January 1 thereafter shall be computed using the same requirements, other than the five percent (5%) amount to compute the credit as prescribed by this section which shall~~

1 ~~remain constant, in effect for computation of the earned income tax~~
2 ~~credit for federal income tax purposes for the 2020 income tax year.~~
3 However, this credit shall not be paid in advance pursuant to the
4 provisions of Section 3507 of the Internal Revenue Code. For tax
5 years which begin on or after January 1, ~~2022~~ 2026, if the credit
6 exceeds the tax imposed by Section 2355 of this title, the excess
7 amount shall be refunded to the taxpayer. The maximum earned income
8 tax credit allowable on the Oklahoma income tax return shall be
9 prorated on the ratio that Oklahoma adjusted gross income bears to
10 the federal adjusted gross income.

11 SECTION 2. This act shall become effective November 1, 2025.

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