



BILL/VERSION:	SB 291 / Engrossed	ANALYST: MK
AUTHORS:	Sen. Pugh & Rep. Kendrix	DATE: 3/27/2025
TAX(ES):	Income Tax	
SUBJECT(S):	New Income Tax Credit Based on Growth	
EFFECTIVE DATE:	November 1, 2025	Emergency ☐

ESTIMATED REVENUE IMPACT:

FY26:\$0

FY27:\$0

FY28: Unknown decrease in income tax collections.

ANALYSIS: The Engrossed¹ version of SB 291 proposes to enact a new refundable income tax credit, contingent upon the State Board of Equalization (BOE) making certain findings of growth in amounts available for appropriation pursuant to Oklahoma Constitution, Art. X, § 23, 1. If in February 2026, the BOE certifies amounts available for appropriation in FY27 exceed by 10% the amounts available for appropriation for FY26 as certified in February 2025, the Oklahoma Tax Commission (OTC) is required to calculate the amount of a refundable income tax credit available for tax year 2027. The credit is calculated by using the amount of revenues exceeding 5% of the growth certified for FY27 over FY26 divided by the sum of the number of returns filed for tax year 2024² and multiplied by 2.01 for married filing joint returns and 1.005 for all other filing statuses.

It is unknown if the FY27 amounts available for appropriation will exceed the FY26 amounts available for appropriation when the BOE meets in February 2026. Any potential decrease in income tax collections should occur in FY28 when the tax year 2027 returns are filed.

ADMINISTRATIVE CONCERNS: This measure does not specify eligibility to receive the refundable credit. Individuals with no income tax filing requirement or a non-Oklahoma resident could file a claim for refund. This is a significant administrative burden on the OTC.

¹ No substantive changes from the Introduced version (revenue impact statement dated 2/19/25).

² The number of returns and eligibility for the credit includes part-year and nonresident returns.

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