

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB1131
Version:	CS
Request Number:	10630
Author:	Speaker McCall
Date:	3/6/2024
Impact:	Income Tax Collections decrease: approx.. \$3.8-4.8M /year

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

Officials for the Oklahoma Tax Commission anticipate the following fiscal impact as a result of this measure:

PROPOSAL: The Proposed Committee Substitute for HB 1131 (Req. No. 10572) proposes to amend 68 O.S. § 2358(E)(3)(b) relating to itemized deductions allowable on an Oklahoma income tax return by exempting wagering losses deductible for federal income tax purposes from the current Oklahoma itemized deduction cap of \$17,000,¹ effective for tax year 2023 and subsequent tax years.

REVENUE IMPACT: The estimated impact of this proposal is a projected revenue loss as outlined in the chart below for tax years 2023 through 2027.

Tax Year	Change in Collections
2023	-\$3,810,000
2024	-\$4,066,000
2025	-\$4,269,000
2026	-\$4,482,000
2027	-\$4,722,000

This measure is effective November 1, 2024; amended returns will be required to claim full deductibility of wagering losses as an itemized deduction for tax year 2023. No changes to withholding or estimated tax payments are expected. The expected revenue decrease for FY25 is \$7.9 million (all of tax year 2023 and 2024).

Prepared By: John McPhetridge, House Fiscal Director

Other Considerations

None.

