

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: February 1, 2023

BILL NUMBER: SB 626 **STATUS AND DATE OF BILL:** Introduced 1/17/2023

AUTHORS: House n/a Senate Bergstrom

TAX TYPE(S): Income Tax **SUBJECT:** Exemption

PROPOSAL: Amendatory

SB 626 proposes to amend 68 O.S. § 2358 (E) (3)(b) relating to itemized deductions allowable on an Oklahoma income tax return by exempting gambling losses deductible for federal income tax purposes from the current Oklahoma itemized deduction cap of \$17,000, effective for tax year 2024 and subsequent tax years.

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 23: None.

FY 24: None.

FY 25: Decrease of \$3.7 million in income tax collections.

Feb 5, 2023
DATE

Rick Miller
DIVISION DIRECTOR

mk

2/6/2023
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/7/2023
DATE

Joseph P Gappa
FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT STATEMENT - SB 626 [Introduced]
Prepared 2/1/2023

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Under current law, charitable contributions and medical expenses deductible for federal income tax purposes are not subject to the \$17,000 cap. This measure would allow full deductibility as an itemized deduction of gambling losses deductible for federal income tax purposes. This measure as proposed would be effective for tax year 2024 and subsequent tax years.

The estimated impact for allowing full deductibility of gambling losses as an itemized deduction is a projected revenue loss as outlined in the chart below for tax years 2024 through 2026.

Tax Year	Decrease in Collections
2024	\$3,650,000
2025	\$3,852,000
2026	\$4,069,000

No changes to withholding or estimated tax payments is expected so the tax year 2024 impact would occur in FY25 when the 2024 income tax returns are filed.