

Income/Franchise:

Oklahoma: Rule Amendments Incorporate New Law Involving Election to Expense Qualified Improvement Property

Amended Reg. sections 710:50-15-69.1, 710:50-17-51, 710:50-19-5 and 710:50-21-1 and New Reg. section 710:50-21-5, Okla. Tax Comm. (Okla. Register, Vol. 41, No. 22, 8/1/24). The Oklahoma Tax Commission adopted administrative rule amendments reflecting legislation enacted in 2023 [see S.B. 602 (2023), and *State Tax Matters*, Issue 2023-22, for more details on this new law] providing that when an Oklahoma taxpayer elects to immediately and fully expense a qualified business expense on eligible “qualified property” or “qualified improvement property” (QIP) under state law [see H.B. 3418 (2022), and *State Tax Matters*, Issue 2022-22, for more details on this Oklahoma election], any depreciation claimed for state tax purposes may not duplicate the same amount reported on the taxpayer’s federal income tax return. These rule changes took effect on August 11, 2024. Please contact us with any questions.

URL: <https://rules.ok.gov/registers>

URL: <http://www.oklegislature.gov/BillInfo.aspx?Bill=SB602&session=2300>

URL: https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230602_4.html

URL: <http://www.oklegislature.gov/BillInfo.aspx?Bill=hb3418&Session=2200>

URL: https://dhub.deloitte.com/Newsletters/Tax/2022/STM/220603_2.html

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