

HB 2315 -- STATE INCOME TAX ON OVERTIME PAY

SPONSOR: Baringer

Under the bill, for all tax years beginning on or after January 1, 2025, all income received by a full-time, hourly wage-paid employee as compensation for work performed in excess of 40 hours in a workweek shall be subtracted from the taxpayer's federal adjusted gross income to the extent such amount is included in federal taxable income.

The bill authorizes the Department of Revenue (DOR) to create forms for an employer to use for reporting data, described in the bill, to DOR. The initial data will be for the tax year beginning January 1, 2024, and must be submitted by January 31, 2025. For the tax years beginning January 1, 2025, the data will be provided monthly or quarterly and due with the corresponding monthly or quarterly withholding tax returns.

The DOR is required to annually submit a report of the data collected and reported to the General Assembly.