

**Bill Summary**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 961</b>
<b>Version:</b>	<b>CS</b>
<b>Request No.:</b>	<b>2011</b>
<b>Author:</b>	<b>Sen. Smalley</b>
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**Committee Substitute (CS)**

The CS for SB 961 creates the Oklahoma First-Time Home Buyer Savings Account Act and defines terms to be used in the act. The measure authorizes individuals to open and designate an account as a home buyer savings account to be used to pay or reimburse a qualified beneficiary's eligible costs for the purchase of a single-family residence in this state. The account holder must designate a beneficiary, which can be the account holder, no later than April 15 of each year following the tax year in which the account was established.

An individual may be the beneficiary or holder of multiple accounts. An account holder may not hold multiple accounts designating the same beneficiary. Only cash and marketable securities may be contributed to a home buyer savings account. Funds from the account may only be used for the purchase of a residential home or to pay for the service fee of the account and may be freely transferred to another home buyer account. Financial institutions will not be required to monitor an account's compliance with this measure.

An individual may deduct up to \$5,000.00 from his or her income tax based on the amount contributed to a home buyer account. Joint account holders may deduct \$10,000.00 based on the same calculation as an individual. The exclusion may be claimed for an aggregate total amount of principal and earnings not exceeding \$50,000.00 and only if the principal and earnings of the account remain in the account. Withdrawing the funds for the purchase of a home will not constitute as income, but withdrawing the funds for an ineligible purpose will constitute as income for taxing purposes. Funds in a home buyer savings account not expended on eligible costs by December 31 of the last year of a fifteen-year period shall be included in the taxpayer's income. The Oklahoma Tax Commission will prepare the forms and procedures needed to designate accounts and allow the taxpayer to file detailed information related to the home buyer savings account.

Prepared by: Kalen Taylor