

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1009</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>5853</b>
<b>Author:</b>	<b>Rep. Sims</b>
<b>Date:</b>	<b>2/8/2021</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Ad Valorem Revenue Impact:**  
**FY-22: \$0**  
**FY-23: (\$131,000)**

**Research Analysis**

HB 1009 increases, from \$20,000 to \$25,000, the maximum gross household income to qualify for an additional homestead exemption of \$1,000.

Prepared By: Emily McPherson

**Fiscal Analysis**

From the Tax Commission:

Currently, all homesteads in Oklahoma are exempt from ad valorem taxation to the extent of \$1,000 of the assessed valuation. An additional exemption is granted to the extent of \$1,000 of the assessed valuation on each homestead of head of households whose gross household income from all sources for the preceding calendar year did not exceed \$20,000. HB 1009 proposes to increase the income eligibility limit for the additional homestead exemption to \$25,000, thus increasing the number of additional homesteads allowed by each county.

Due to insufficient funds, the loss to local ad valorem tax revenues attributable to the additional homestead exemption has not been reimbursed from the Ad Valorem Reimbursement Fund since 2002. In 2019, this loss totaled \$3,271,359. Raising the income threshold in the manner proposed by HB 1009 will increase the number of additional homestead exemptions by approximately 4.2%, resulting in an estimated statewide reduction in property tax revenues of \$131,000.

Prepared By: Mark Tygret

**Other Considerations**

None.