

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 29, 2024

BILL NUMBER: SB 2007

STATUS AND DATE OF BILL: Introduced 1/18/24

AUTHORS: House: n/a Senate: Dahm

TAX TYPE(S): Ad Valorem

SUBJECT: Homestead Exemption

PROPOSAL: New Law

SB 2007 proposes a new law that would allow for an additional exemption of \$1,000 of the assessed valuation on each homestead of heads of households who have dependents residing in the homestead educated pursuant to other means of education exemption provided for in subsection A of Section 10-105 of Title 70 (i.e., homeschool). SB 2007 provides guidelines for the application and administration of the additional exemption.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:


There is no impact on tax revenue to the State. An additional homestead exemption of \$1000 of the assessed value of each homestead with dependents who are homeschooled is estimated to reduce tax revenue to local jurisdictions by \$5,167,023 - \$13,487,871. See attached for analysis.

FY 25: None.

FY 26: None.

1/30/24

DATE


MARIE SCHUBLE, DIVISION DIRECTOR

caj

1/30/24

DATE

Huan Gong
HUAN GONG, ECONOMIST

1/31/2024

DATE

Joseph P. Gappa
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 – SB 2007 [Introduced] - Prepared: 1/30/24

CURRENT LAW:

Currently, all homesteads in Oklahoma shall be assessed for taxation the same as other real property therein, except that each homestead, as defined by 68 O.S. Section 2801 et seq. of this title, shall be exempted from all forms of ad valorem taxation to the extent of \$1,000 of the assessed valuation. Homesteads are defined under 68 O.S. § 2888 for the purpose of taxation as provided in Article X, Section 22 of the Oklahoma Constitution.

PROPOSED NEW LAW:

SB 2007 proposes to allow an additional homestead exemption to the extent of \$1,000 of the assessed valuation for households with homeschooled dependents residing in the home.

ANTICIPATED IMPACT:

There is no impact on tax revenue to the State.

Oklahoma does not maintain an official record of homeschooled children or households with homeschooled dependents. According to a survey by the U.S. Census¹, 7.7% of Oklahoma households homeschooled their children during the 2019-2020 school year. That number increased to 20.1% the next school year (2020-2021), largely attributed to the pandemic, and pandemic-related policies. Due to the unavailability of more recent data, Table 1 provides an estimated impact of SB 2007 based on the two data points provided by the U.S. Census survey.

Table 1. Estimated impact of SB 2007.

Current base homestead exemptions ²	638,841	
Current households that homeschool ¹	7.7%	20.1%
Estimated additional homestead exemptions under SB 2007	49,191	128,407
Estimated tax savings for each homestead (\$1,000 reduction in assessed value * statewide effective millage 105.04 ²)	\$105.04	
Total estimated reduction in property tax revenue collected by local jurisdictions	-\$5,167,023	-\$13,487,871

¹ See Table 2. Homeschooling Rates of Households by State: [Homeschooling on the Rise During COVID-19 Pandemic \(census.gov\)](https://www.census.gov/data/tables/2020/special/homeschooling.html).

² From 2023 Oklahoma Abstracts, provided by the OTC Ad Valorem Division.