

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2942 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Derrick

Hildebrant
Adopted: _____

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2942

By: Hildebrant

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8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; creating the
10 Health Care Sharing Ministry Tax Parity Act;
11 providing legislative findings; defining terms;
12 providing for income tax deduction; providing
13 procedure for claiming deduction; requiring Oklahoma
14 Tax Commission to create forms and guidelines;
15 providing funds to be nontaxable; providing Oklahoma
16 Tax Commission with administrative oversight;
17 providing penalties for fraudulent claims; providing
18 for severability; providing for noncodification;
19 providing for codification; and providing an
20 effective date.

21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. NEW LAW A new section of law not to be
23 codified in the Oklahoma Statutes reads as follows:

24 This act shall be known and may be cited as the "Health Care
Sharing Ministry Tax Parity Act".

SECTION 2. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

The Legislature finds and declares:

1 1. Health Care Sharing Ministries (HCSMs) play a significant
2 role in addressing medical needs for individuals and families,
3 providing financial and emotional support outside of health
4 insurance.

5 2. HCSMs enable their members to share health care costs in a
6 voluntary and community-focused manner consistent with their ethical
7 and religious beliefs.

8 3. Despite their critical function, HCSM contributions and
9 payments are not currently afforded the same tax treatment as health
10 insurance premiums under state law.

11 4. To ensure fairness and eliminate financial discrimination,
12 this act allows HCSM members to deduct qualifying expenses and
13 contributions on their state income tax returns, achieving tax
14 parity with health insurance plans.

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2358.111 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 A. As used in this act:

19 1. "Health Care Sharing Ministry" (HCSM) means a not-for-profit
20 organization that is tax-exempt under Section 501(c)(3) of the
21 Internal Revenue Code and:

22 a. limits its members to those who share a common set of
23 ethical or religious beliefs,
24

- b. facilitates sharing of medical expenses between members in accordance with its ethical or religious beliefs,
- c. requires regular contributions from members with no assumption of risk or promise to pay for medical expenses,
- d. provides at least a quarterly report to members detailing the amount of needs shared and contributions received,
- e. conducts an annual audit which is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and which is made available to the public upon request, and
- f. provides a disclaimer stating that it is not an insurance company and participation is voluntary;

2. "Qualified Health Care Sharing Expenses" means amounts paid by a qualified individual as a member of an HCSM; and

3. "Qualified Individual" means any resident of Oklahoma who has been an active member of an HCSM for at least one (1) month during the applicable tax year.

B. 1. For tax years beginning on or after January 1, 2027, a qualified individual is entitled to deduct the total amount of qualified health care sharing expenses paid during the taxable year

1 from their adjusted gross income (AGI) on their Oklahoma state
2 income tax return. Provided, any expenses for which a deduction has
3 already been claimed shall not be allowed pursuant to this act.

4 2. The deduction allowed under this section shall be applicable
5 to:

- 6 a. self-employed individuals, in the same manner as
7 deductions for health insurance premiums,
- 8 b. employer contributions toward HCSM membership for
9 employees, which shall be treated as nontaxable fringe
10 benefits, and
- 11 c. individuals paying amounts for HCSM membership for
12 themselves or their dependents.

13 C. 1. To claim the deduction, a qualified individual must:

- 14 a. submit documentation of membership and contributions
15 to an HCSM, including any records issued by the
16 ministry, and
- 17 b. file any additional forms or information required by
18 the Oklahoma Tax Commission to verify eligibility.

19 2. The Oklahoma Tax Commission shall develop forms, guidelines,
20 and procedures for the implementation of this section.

21 D. Funds received by a qualified individual from HCSM members
22 to assist with medical expenses shall not be considered taxable
23 income under Oklahoma state law.

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1 E. The Oklahoma Tax Commission shall be responsible for
2 administering the provisions of this act. The Tax Commission shall
3 issue an annual report to the Legislature detailing the number of
4 deductions claimed, the total fiscal impact, and any other relevant
5 data.

6 F. Any individual who knowingly submits false documentation to
7 claim the deductions or exemptions under this act shall be subject
8 to:

9 1. Repayment of any income tax amount attributable to
10 improperly claimed deductions;

11 2. A civil penalty of Five Hundred Dollars (\$500.00) per
12 offense; and

13 3. Ineligibility to claim deductions under this act for a
14 period of three (3) years.

15 G. If any provision of this act is found unconstitutional or
16 invalid by a court of competent jurisdiction, the remaining
17 provisions shall remain in full force and effect.

18 SECTION 4. This act shall become effective November 1, 2026.

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20 60-2-16712 AO 02/24/26

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