

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

HOUSE BILL 1477

By: Fugate

AS INTRODUCED

An Act relating to revenue and taxation; creating income tax credit for owners of certain property; defining terms; providing taxpayer to have qualified for homestead exemption to be eligible for credit; providing for credit to be fully refundable; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.701 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Qualified property" means a single family home less than one thousand five hundred one (1,501) square feet in size in an established neighborhood that completed construction at least fifty (50) years prior to the tax year for which the taxpayer is claiming the credit pursuant to subsection B of this section; and

2. "Taxpayer" means a natural person.

1 B. For taxable years beginning on or after January 1, 2026,
2 there shall be allowed as a credit against the tax imposed pursuant
3 to Section 2355 of Title 68 of the Oklahoma Statutes in the amount
4 of Two Thousand Dollars (\$2,000.00) for taxpayers who have owned a
5 qualified property for at least four (4) years, but not more than
6 eight (8) years. To be eligible to claim the credit, the taxpayer
7 must have qualified for the homestead exemption pursuant to Section
8 2889 of Title 68 of the Oklahoma Statutes for the three (3) tax
9 years preceding the tax year for which they are claiming the credit.

10 C. For credits generated pursuant to subsection B of this
11 section, but not used, on or after January 1, 2026, the Oklahoma Tax
12 Commission shall refund, at the taxpayer's election, directly to the
13 taxpayer one hundred percent (100%) of the face amount of such
14 credit. The amount of any direct refund of credits actually
15 received by the taxpayer pursuant to this paragraph shall not be
16 subject to the tax imposed by Section 2355 of Title 68 of the
17 Oklahoma Statutes.

18 SECTION 2. This act shall become effective November 1, 2025.
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