

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB4118
Version:	INT
Request Number:	15732
Author:	West (Tammy)
Date:	2/6/2026
Impact: Unknown decrease in income tax collections	

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

As introduced, HB4118 allows mileage for driving an eligible family member to and from medical appointments to be considered an eligible expenditure for the Caring for Caregivers Tax Credit.

Officials from the Oklahoma Tax Commission have provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY27: Unknown decrease in income tax collections.
FY28: Unknown decrease in income tax collections.

ANALYSIS: The Introduced version of HB 4118 proposes to amend 68 O.S. § 2357.801 relating to the Caring for Caregivers Tax Credit. This measure would allow mileage for driving an eligible family member to and from medical appointments as an eligible expenditure qualifying for the credit, beginning with tax year 2026.¹ The mileage rate would be the IRS standard mileage rate for medical and dental expenses² for the applicable tax year. Additionally, this measure proposes to amend the definition of "eligible family member" by removing the minimum age requirement of 62. It is unknown how much mileage may be claimed in tax year 2026 and subsequent tax years. It is also unknown how many additional family members would become eligible with the minimum age requirement removed.

This credit has a \$1.5 million cap. If more than \$1.5 million in credits are claimed in the second preceding year, the current year's credits are reduced proportionately. For example, if more than \$1.5 million in credits were claimed in 2024, the 2026 tax credits would be reduced proportionately. The Oklahoma Tax Commission (OTC) is currently reviewing 2024 income tax return data³ to determine whether a percentage adjustment will apply for tax year 2026.

¹ No tax year was specified in this measure. The measure goes into effect November 1, 2026; so, any mileage for driving an eligible family member to and from medical appointments on or after November 1, 2026, would be claimable on the 2026 income tax return.

² Per IRS Notice 2026-10 the standard mileage rate for tax year 2026 is 20.5 cents per mile for use of an automobile for medical care described in Internal Revenue Code § 213.

³ OTC is still processing tax year 2024 income tax returns which can be filed as late as October 2025.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.