

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB4118
Version:	SUBPCS1
Request Number:	16159
Author:	Rep. Tammy West
Date:	2/9/2026
Impact:	Unknown decrease in income tax collections

Research Analysis

The proposed subcommittee substitute for HB4118 amends the family caregiver tax credit by increasing the maximum credit amount to \$3000 and broadening eligibility and allowable expenses. The list of eligible expenditures is expanded to include mileage for transporting an eligible family member to and from medical appointments, which will be calculated using the IRS medical mileage rate. The definition of *eligible family member* is broadened to remove the 62 or older age limit requirement.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB4118 broadens eligibility and allowable expenses for the family caregiver tax credit, and increases the maximum credit amount to \$3000.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

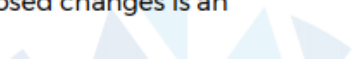
FY27: Unknown decrease in income tax collections.

FY28: Unknown decrease in income tax collections.

ANALYSIS: The Proposed Subcommittee Substituteⁱ of HB 4118 (Req. No. 16159) proposes to amend 68 O.S. § 2357.801 relating to the Caring for Caregivers Tax Credit, effective for tax year 2026. This measure would allow mileageⁱⁱ for driving an eligible family member to and from medical appointments as an eligible expenditure qualifying for the credit.ⁱⁱⁱ This measure also amends the definition of "eligible family caregivers" by increasing the federal adjusted gross income eligibility threshold to no more than \$75,000 (\$150,000 for a couple filing jointly). Additionally, this measure proposes to amend the definition of "eligible family member" by removing the minimum age requirement of 62. The maximum credit for all family caregiver is increased to \$3,000 under this measure.

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 data^{iv} to determine whether a percentage adjustment will apply for tax year 2026.

The impact on income tax collections resulting from these proposed changes is an unknown decrease in income tax collections beginning in FY27.



ⁱ This PSCS amends income eligibility and increases the credit amount compared to the introduced version.

ⁱⁱ The mileage rate would be the IRS standard mileage rate for medical and dental expenses for the applicable tax year. 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.

ⁱⁱⁱ 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.

^{iv} OTC is still processing tax year 2024 income tax returns which can be filed as late as October 2025. Preliminary tax year 2024 data suggests that 115 returns claimed an average of \$1,495 of the Caring for Caregivers Tax Credit per return.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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