
BILL/VERSION:	SB 1402 / INTRODUCED (REVISED)	ANALYST: TB
AUTHORS:	Sen. Gillespie	DATE: 1/21/2026
TAX(ES):	Individual Income Tax	
SUBJECT(S):	Deduction/Exclusion	
EFFECTIVE DATE:	November 1, 2026	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:
FY27: \$0
FY28: Deduction: Decrease of approximately \$477,000 in income tax collections
Exclusion: Unknown decrease in income tax collections

ANALYSIS: SB 1402¹ would enact the Health Care Sharing Ministries Tax Parity Act. The measure allows a qualified individual, defined as a resident of Oklahoma who has been an active member of a Health Care Sharing Ministry (HCSM) for at least one month during the applicable tax year, to deduct from Oklahoma adjusted gross income the amount of qualified health care sharing expenses paid during the taxable year. A HCSM generally provides a health care cost-sharing arrangement among individuals with similar beliefs and facilitates the sharing of medical expenses among its members.

For tax years beginning on or after January 1, 2027, the bill allows a deduction for amounts paid by a qualified individual for HCSM membership for the individual, spouse, or dependents. Qualified health care sharing expenses are defined to include both amounts paid toward the sharing of medical expenses and administrative fees charged by the Health Care Sharing Ministry. Such administrative fees are generally incorporated into the reported average annual sharing contribution amounts used in this estimate.

¹ SB 1402 is substantively identical to SB 1279 and SB 1406 as introduced.

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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. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.

Available information from the Alliance of Health Care Sharing Ministries indicates that approximately 11,000 Oklahoma residents participated in a HCSM in 2024, with reported average annual required sharing contributions of approximately \$1,500 to \$1,600 per member. Based on these figures, and applying assumed participation assumptions consistent with prior estimates, the deduction is estimated to reduce annual income tax collections by approximately \$477,000 when fully realized. Although the deduction applies to tax years beginning on or after January 1, 2027, the revenue impact is not expected to be realized until FY 2028, when tax year 2027 returns are filed.

In addition to the proposed deduction, SB 1402 excludes from Oklahoma taxable income any qualified health care share received by an individual taxpayer to assist with medical expenses. This exclusion may further reduce income tax collections. However, the magnitude of this effect cannot be reliably estimated due to limited data regarding the amount and frequency of such receipts and uncertainty regarding their current federal income tax treatment. As a result, the revenue impact associated with the exclusion cannot be reliably estimated.