



BILL/VERSION:	SB 1574 / INTRODUCED	ANALYST: TB
AUTHORS:	Sen. Murdock	DATE: 2/6/2026
TAX(ES):	Income	
SUBJECT(S):	Affordable Housing Tax Credit	
EFFECTIVE DATE:	November 1, 2026	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:
FY27: \$0¹

ANALYSIS: SB 1574 amends Section 2357.403 of Title 68 of the Oklahoma Statutes to increase the annual allocation cap for the Oklahoma Affordable Housing Tax Credit from \$4 million to \$8 million for allocation years beginning on or after July 1, 2026. The credit is administered by the Oklahoma Housing Finance Agency (OHFA) and is available to taxpayers subject to the Oklahoma income tax, insurance premium tax, or bank privilege tax that hold an ownership interest in a qualified low-income housing project and receive an eligibility statement from OHFA.

Oklahoma Tax Commission records indicate that, for tax year 2023, approximately \$670,000 in Affordable Housing Tax Credits were used to reduce income tax liability. Assuming similar levels of income tax utilization in tax years 2027 and 2028, the proposed increase in the annual allocation cap is not expected to materially impact income tax collections.

According to OHFA, the existing \$4 million annual allocation cap is consistently fully allocated and demand would be sufficient to fully utilize an increased \$8 million cap. Because income tax utilization represents only a small portion of the annual cap, the remaining credits are likely applied against the insurance premium tax. Revenue impacts to the insurance premium tax are not estimated by the Oklahoma Tax Commission.

¹ This revenue impact does not account for any tax credits taken against the insurance premium tax [36 O.S. §§ 624 and 628]

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<u>2/11/26</u>	<u>Marie Schuble</u>
DATE	MARIE SCHUBLE, DIVISION DIRECTOR
<u>2/15/26</u>	<u>Joseph P. Gappa</u>
DATE	JOSEPH P. GAPPA, FOR THE COMMISSION

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.



CURRENT LAW: The Oklahoma Affordable Housing Act was signed into law in June 2014. The Act, administered by OHFA, provides for the allocation of up to \$4 million per year in State low-income housing tax credits. State credits under the program are used to (1) raise private equity to finance affordable housing for families and seniors; and (2) provide affordable rent for low-to-moderate income Oklahomans (typically those earning 60 percent or less of the area median income). Credits are claimed annually over a 10-year period (beginning when the building is placed in service), are nonrefundable, and can be carried forward for five years. The state tax credit program generally mirrors the federal low-income housing tax credit program.