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<b>BILL/VERSION:</b>	SB 1579 / Introduced	<b>ANALYST:</b> MK
<b>AUTHORS:</b>	Sen. Paxton	<b>DATE:</b> 1/31/2026
<b>TAX(ES):</b>	Income Tax / Insurance Premium Tax <sup>1</sup>	
<b>SUBJECT(S):</b>	Credit	
<b>EFFECTIVE DATE:</b>	November 1, 2026	<b>Emergency</b> <input type="checkbox"/>

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**ESTIMATED REVENUE IMPACT:**

**FY27: Potential decrease in corporate income tax collections and in insurance premium tax collections.**

**FY28: Potential decrease in corporate income tax collections and in insurance premium tax collections.**

**ANALYSIS:** The Introduced version of SB 1579 proposes to amend 68 O.S. § 2357.22 relating to the Credit for Investment in a Clean-Burning Motor Vehicle Fuel Property by allowing the credit to be used against taxes imposed pursuant to 36 O.S. § 624 or 36 O.S. § 628 (Insurance Premium Tax) and 68 O.S. §2370 (Bank Privilege Tax).<sup>2</sup> Overall, this credit has a \$30 million cap that the Oklahoma Tax Commission (OTC) manages by using a two-year lookback on credit usage. The most recent Oklahoma income tax data indicates that this credit offset under \$11 million in income tax revenue. Allowing this credit to be used to offset insurance premium tax should have no additional effect on income tax collections, although insurance premium tax collections could decrease. Allowing this credit to be used to offset the bank privilege tax could cause income tax collections to decrease in FY27.<sup>3</sup>

**ADMINISTRATIVE CONCERNS:** The measure does not establish a mechanism for the Oklahoma Insurance Department to share credit usage data with the OTC. Without this information, OTC would be unable to enforce the annual credit cap.

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<sup>1</sup> The insurance premium tax is administered by the Oklahoma Insurance Department.

<sup>2</sup> The privilege tax is administered like corporate income tax.

<sup>3</sup> This measure does not specify which tax year the credit may be used against the insurance premium tax or the bank premium tax. It is assumed the revenue impact will occur in tax year 2026. This credit is set to sunset; tax year 2028 will be the last tax year for this credit. Unused credits have a 5-year carryover period for income tax purposes. There is no carryover period for unused credits applied against insurance premium tax.

<u>1/31/26</u>	<u>Huan Gong</u>
DATE	DR. HUAN GONG, CHIEF TAX ECONOMIST
<u>1/31/26</u>	<u>Marie Schuble</u>
DATE	MARIE SCHUBLE, DIVISION DIRECTOR
<u>2/1/26</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.*