



BILL/VERSION: SB 1885 / INTRODUCED **ANALYST:** EC
AUTHORS: Sen. Jett **DATE:** 1/21/2026
TAX(ES): Ad Valorem
SUBJECT(S): Homestead Exemption
EFFECTIVE DATE: January 1, 2027 **Emergency**

ESTIMATED REVENUE IMPACT:

FY27: \$430.7 million in lost revenue to local tax jurisdictions.

FY28: \$959.6 million in lost revenue to local tax jurisdictions.

Tax Year	Est. Reduction in Taxable Homestead Assessed Value	Est. Reduction in Tax Revenue
2027	-\$3.93B	-\$430.7M
2028	-\$8.77B	-\$959.6M
2029	-\$13.88B	-\$1.52B

**Note: The revenue impacts estimated here affect local taxing jurisdictions directly. While there is no direct effect on state tax collections, there may be an indirect impact on the state through impacts on the school funding formula. The estimated decrease is a total statewide figure and has not been evaluated at the county level.*

ANALYSIS: SB 1885 amends 68 O.S. § 2889 to modify the homestead exemption by phasing in an exemption equal to 33¹/₃% percent of a homestead’s assessed value in Tax Year 2027, 66²/₃% in Tax Year 2028, and 100% in Tax Year 2029 and subsequent years.

This estimate applies county-level property valuation data for Tax Year 2025 to estimate values for Tax Years 2027 through 2029. The exemption percentages were applied to each county’s estimated homestead base, with existing exemptions considered to ensure that lower exemption amounts are superseded. The exempt assessed value was multiplied by each county’s effective millage rate to estimate the reduction in ad valorem tax revenue. This estimate applies the exemption to the existing homestead base and does not explicitly model changes in homestead-claiming behavior that may occur in response to the exemption outlined in SB 1885.

The estimates have a direct impact on local taxing jurisdictions and may indirectly affect state funding through the school funding formula.

<u>1/29/26</u>	<u>Huan Gong</u>
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<u>1/31/26</u>	<u>Marie Schuble</u>
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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.