

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB 1201
Version:	INT
Request Number:	10107
Author:	Rep. Maynard
Date:	2/4/2025
Impact:	FY25: Unknown decrease
	FY26: Unknown decrease

Research Analysis

HB1201, as introduced, creates an temporary income tax credit for donations to a pregnancy resource center until December 31, 2029. The credit may be claimed beginning tax year 2025, is equal to 70 percent of the donation amount, is limited to \$50,000 per taxpayer per year and capped at \$5 million in claims per year. The measure outlines the criteria to be considered a pregnancy resource center and requires the director of the Department of Human Services to identify facilities that may be classified as a pregnancy resource center.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB 1201 proposes an income tax credit for certain contributions made to pregnancy resource centers.

The Oklahoma Tax Commission (OTC) has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY25: Unknown decrease in income tax revenue.

FY26: Unknown decrease in income tax revenue.

ANALYSIS: HB 1201 proposes an income tax credit for contributions made to pregnancy resource centers during tax years 2025-2029. The credit would equal 70% of the contributed amount, with individual taxpayers limited to \$50,000 in credits per year. If a taxpayer cannot claim their full credit in the year of contribution, they may carry it forward to the following tax year. The total combined credits used to offset tax liability are capped at \$5 million annually across all taxpayers.

Due to limited data, the decrease in income tax revenue cannot be precisely estimated. Initial revenue impacts may begin in FY25 through reduced withholding and estimated tax payments, with the full impact expected in FY26 when 2025 tax returns are filed.

ADMINISTRATIVE CONCERNS:

1. **Credit Cap Implementation:** The Oklahoma Tax Commission must reduce individual credits if total claims exceed the \$5 million annual cap. The adjustment formula divides \$5 million by the total credits claimed in the second preceding tax year. However, this formula makes the credit limit unenforceable until tax year 2027, as prior year data will not be available before then.
2. **Timing Discrepancy:** While the bill's effective date is January 1, 2026, the credit can be claimed for tax year 2025, creating a potential administrative contradiction.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.