

Senate Fiscal Summary
1st Session of the 60th Legislature



House Bill 2745

Version:	ENGR
Agency:	Oklahoma Tax Commission
Senate Author:	Pugh
House Author:	Caldwell, T.
FY'26 Impact:	Revenue Decrease of \$2,700,000
Full Year Impact:	Revenue Decrease of \$2,700,000

**Bill Summary and
Fiscal Analysis:**

HB2745 enacts an income tax deduction for banks and other lending institutions that have a main office located in the state. Entities that are eligible may deduct from their net income the net interest income received from qualified agricultural real estate loans, agricultural operating loans, or single-family residence loans attributed to this state. The proposal sets a \$5,000,000 cap on deductions each year beginning in tax year 2027.

For tax years 2025 to 2027, the annual deduction amount for each institution is limited to:

- \$250,000 for banks with Oklahoma-based deposits of \$750,000,000 or less
- \$500,000 for banks with Oklahoma-based deposits of more than \$750,000,000

The Oklahoma Tax Commission identifies 232 Oklahoma based financial institution that would be eligible for the proposed tax deduction, 34 of which could take the maximum deduction of \$500,000. The Commission's analysis suggests \$66,500,000 of net interest income could be deducted, resulting in a potential revenue decrease of \$2,700,000.

Fiscal impact provided by Senate fiscal staff.