OKLAHOMA
Tax Commission

REVENUE IMPACT STATEMENT
2025 REGULAR SESSION
60TH LEGISLATURE, 1ST SESSION

BILL/VERSION:	**HB 1477** / INTRODUCED	**ANALYST**: TB	
AUTHORS:	Rep Fugate	**DATE**: 2/26/2025	
TAX(ES):	Income Tax		
SUBJECT(S):	Credit		
EFFECTIVE DATE:	November 1, 2025	**Emergency** ☐	

ESTIMATED REVENUE IMPACT:

FY26: Estimated $69 million decrease in income tax collections.
FY27: Estimated $172.5 million decrease in income tax collections.

ANALYSIS: HB 1477 establishes a new refundable income tax credit of $2,000 for individuals who own a single-family home that is 1,500 square feet or smaller and was built at least 50 years before the tax year in which the credit is claimed. To qualify, a taxpayer must have owned the home for at least four years but no more than eight years and must have qualified for the homestead exemption for the three tax years preceding the claim year. The credit applies to taxable years beginning on or after January 1, 2026.

To estimate the potential revenue impact of this proposal, data from the U.S. Census Bureau's American Community Survey (ACS) records were analyzed[1]. Based on this data, it is estimated that approximately 86,266 homeowners may qualify for the credit.

If all eligible homeowners claim the full $2,000 credit, the projected reduction in income tax revenue would be approximately $172.5 million in tax year 2026. A decrease in withholding or estimated tax payments is expected, leading to a revenue decrease of $69 million in FY26 due to changes in withholding. The full fiscal impact of $172.5 million will be realized in FY27 when tax year 2026 returns are filed.

[1] U.S. Census Bureau, American Community Survey 5-Year Estimates: Selected Housing Characteristics, 2023, accessed February 26, 2025, https://data.census.gov/table/ACSDP5Y2023.DP04?g=040XX00US40&tid=ACSDP5Y2023.DP04.

2/26/25 — Huan Gong
DATE — DR. HUAN GONG, CHIEF TAX ECONOMIST

2/26/25 — Marie Schuble
DATE — MARIE SCHUBLE, DIVISION DIRECTOR

2/26/25 — Joseph P. Gappa
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.