



BILL/VERSION: SB 51 / INTRODUCED

ANALYST: TB

AUTHORS: Sen. Hicks

DATE: 12/30/2024

TAX(ES): Income Tax

SUBJECT(S): Credit

EFFECTIVE DATE: Nov. 1, 2025

Emergency ☐

ESTIMATED REVENUE IMPACT:

FY26: \$0

FY27: Estimated decrease in income tax collections of \$1,680,000

ANALYSIS:

SB 51 proposes to enact a new, one-time income tax credit of \$200 for the purchase of a qualified E-bike, effective for tax year 2026 and subsequent tax years. Any unused credit may be refunded to the taxpayer. The analysis is based on national sales data of E-bikes adjusted for Oklahoma's population size. The potential revenue effect of this proposal is an estimated decrease in excess of \$1,680,000 in income tax collections. No changes in withholding or estimated tax payments are anticipated, and the full impact would occur in FY 27 when the 2026 returns are filed.

ADMINISTRATIVE CONCERNS:

It is uncertain if the limitation applies per taxpayer, per household, or per qualifying e-bike purchased. There is also ambiguity regarding whether e-bikes purchased before the proposal's effective date would qualify for the credit. Furthermore, it is uncertain whether business entities may claim the credit. Additionally, questions arise about the potential for multiple credits to be claimed on a single e-bike if it is purchased multiple times. Finally, the geographic scope of the credit is also undefined, leaving it unclear whether e-bikes must be purchased in Oklahoma to qualify or if out-of-state purchases are eligible.

1/2/2025

DATE

Huan Gong

DR. HUAN GONG, CHIEF TAX ECONOMIST

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DATE

Marie Schuble

MARIE SCHUBLE, DIVISION DIRECTOR

1/6/2025

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Joseph P. Gappa

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.



ADDITIONAL INFORMATION (Prepared 12/30/2024):

The estimated number of e-bike sales in the United States for 2025 is 700,000¹ units. Based on Oklahoma's population, which represents approximately 1.2% of the U.S. population, the estimate for e-bike sales in Oklahoma is calculated as 8,400 units ($700,000 \times 1.2\%$).

Each eligible e-bike purchase would qualify for a \$200 income tax credit. Therefore, the total revenue impact of the tax credit is estimated at \$1,680,000 annually ($8,400 \times \200).

This estimate is based on projected e-bike sales data and does not account for increased purchases that may result from the incentive. If the credit encourages additional e-bike purchases, the revenue impact could increase.

¹ Exploring the E-Bike Market in the US in 2024: Trends, Growth, and Opportunities, June 1, 2024, <https://rizebikes.com/blogs/blog/exploring-the-e-bike-market-in-the-us-in-2024-trends-growth-and-opportunities>