

**BILL SUMMARY**  
1<sup>st</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB1198</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>10109</b>
<b>Author:</b>	<b>Rep. Maynard</b>
<b>Date:</b>	<b>2/3/2025</b>
<b>Impact:</b>	<b>No impact on State tax revenue</b>

**Research Analysis**

HB1198, as introduced, redefines *gross household income*, for the purpose of qualifying for the additional homestead exemption, to mean the federal adjusted gross income.

Prepared By: Quyen Do

**Fiscal Analysis**

In its current form, HB 1198 proposes to modify the definition of "gross household income" to mean federal adjusted gross income for the purpose of qualifying for a homestead exemption.

The Oklahoma Tax Commission has provided the following fiscal impact analysis:

**ESTIMATED STATE REVENUE IMPACT:** No impact on tax revenue to the State, but may lead to a potential reduction in tax revenue for local taxing jurisdictions.

**ANALYSIS:** HB 1198 proposes to amend 68 O.S. § 2890 by modifying the definition of "gross household income" to refer specifically to federal adjusted gross income for the purpose of qualifying for the additional homestead exemption. Currently, the term includes all types of income, both taxable and nontaxable for federal or state income tax purposes, received by individuals in the same household, such as pensions, social security, unemployment benefits, and more, with the exception of gifts, veterans' disability compensation and federal stimulus or relief payments.

The exemption outlined in 68 O.S. § 2890 provides an additional \$1,000 off the assessed value of the homestead for heads of households whose gross household income in the previous year did not exceed \$30,000. The exact number of new qualifying homesteads under the proposal is uncertain. However, the updated definition may lower the reported income for some households, potentially increasing the number of households eligible for the additional exemption.

This rise in eligibility—and consequently, in the number of additional homestead exemptions—may lead to a potential reduction in tax revenue for local taxing jurisdictions.

Prepared By: Zachary Penrod, House Fiscal Staff

**Other Considerations**

None.

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