

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1198
Version:	SUBPCS1
Request Number:	12348
Author:	Rep. Maynard
Date:	2/5/2025
Impact:	No impact on State tax revenue

Research Analysis

The proposed subcommittee substitute for HB1198 redefines *gross household income*, for the purpose of qualifying for the additional homestead exemption, to mean the federal adjusted gross income stated on the taxpayer's most recently filed federal income tax return.

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 proposed committee substitute does not change the fiscal impact of the bill.

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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