



BILL/VERSION: HB 1201 / Engrossed¹

ANALYST: LH

AUTHORS: Rep. Maynard, Sen. Bullard

DATE: 3/14/2025

TAX(ES): Income Tax

SUBJECT(S): Credit

EFFECTIVE DATE: January 1, 2026

Emergency

ESTIMATED REVENUE IMPACT:

FY26: Unknown decrease in income tax revenue.

FY27: Unknown decrease in income tax revenue.

ANALYSIS: HB 1201 proposes an income tax credit for contributions made to pregnancy resource centers and "other qualifying centers"² during tax years 2026-2030. The credit is 70% of the contribution, with taxpayers limited to \$50,000 in credits per year. If a taxpayer cannot claim their full credit in the year of contribution, they may carry it forward to the following tax year. The total combined credits used to offset tax liability are capped at \$5 million annually across all taxpayers.

Due to limited data, the decrease in income tax revenue cannot be precisely estimated. Initial revenue impacts may begin in FY26 through reduced withholding and estimated tax payments, with the full impact expected in FY27 when 2026 tax returns are filed.)

ADMINISTRATIVE CONCERNS: The Oklahoma Tax Commission must reduce individual credits if total claims exceed the \$5 million annual cap. The adjustment formula divides \$5 million by the total credits claimed in the second preceding tax year. However, this formula makes the credit limit unenforceable until tax year 2028, as prior year data will not be available before then.

¹ No substantive changes from the previous version.

² "Other qualifying center" provides assistance to women and families during pregnancy, childbirth, or postpartum to encourage and assist such women and families in carrying their pregnancies to term and supporting the health of the mother and child after birth.

3/14/25

DATE

Huan Gong

DR. HUAN GONG, CHIEF TAX ECONOMIST

3/14/25

DATE

Marie Schuble

MARIE SCHUBLE, DIVISION DIRECTOR

3/14/25

DATE

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.