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**BILL/VERSION:** HB 1427 / Engrossed **ANALYST:** MK  
**AUTHORS:** Rep. Wilk & Sen. Rader **DATE:** 3/26/2025  
**TAX(ES):** Income Tax / Insurance Premium Tax<sup>1</sup>  
**SUBJECT(S):** Credit  
**EFFECTIVE DATE:** 90 days after sine die **Emergency**

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**ESTIMATED REVENUE IMPACT:**

**FY26: No anticipated change in income tax collections; unknown change to insurance premium tax collections.**

**ANALYSIS:** The Engrossed<sup>2</sup> version of HB 1427 proposes to amend 68 O.S. § 2357.22 relating to the *Credit for Investment in a Clean-Burning Motor Vehicle Fuel Property* by allowing the credit to be used against taxes imposed pursuant to 36 O.S. § 624 or 36 O.S. § 628 (Insurance Premium Tax).

Overall, this credit has a \$30 million cap that the Oklahoma Tax Commission (OTC) manages by using a two-year lookback on credit usage. Most recent Oklahoma income tax data suggests under \$10 million in income tax offset by this credit. Allowing this credit to be used to offset insurance premium tax should have no additional effect on income tax collections, although insurance premium tax collections could decrease.

**ADMINISTRATIVE CONCERNS:** The measure does not establish a mechanism for the Oklahoma Insurance Department to share credit usage data with the OTC. Without this information, OTC would be unable to enforce the annual credit cap.

<sup>1</sup> The insurance premium tax is administered by the Oklahoma Insurance Department.

<sup>2</sup> No substantive changes from the PCS (dated 2/13/25).

3/26/25  
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DATE

Huan Gong  
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DR. HUAN GONG, CHIEF TAX ECONOMIST

3/27/25  
\_\_\_\_\_  
DATE

Marie Schuble  
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MARIE SCHUBLE, DIVISION DIRECTOR

3/27/25  
\_\_\_\_\_  
DATE

Joseph P. Gappa  
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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.*