



BILL/VERSION:	SB 425 / INTRODUCED	ANALYST:	EC
AUTHORS:	Sen. Sacchieri	DATE:	2/4/2025
TAX(ES):	Ad Valorem Tax		
SUBJECT(S):	Property Tax Relief		
EFFECTIVE DATE:	November 1, 2025	Emergency	<input type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY27: Estimated decrease of \$1,006,000 to income tax collections.

ANALYSIS: The proposal seeks to amend 68 O.S. §§ 2905 and 2906, relating to the low-income property tax relief credit¹, by decreasing the minimum age requirement from 65 to 60 and increasing the maximum household income threshold from \$12,000 to \$40,000.

To estimate the number of new claims under the proposed law, adjustments were made to the total eligible federal adjusted gross income distribution based on the proportion of currently eligible individuals claiming the credit. Additionally, Census data on Oklahomans aged 60-64 was incorporated to account for the lower minimum age requirement. In tax year 2022, 1,787 taxpayers claimed the low-income property tax relief credit, totaling \$333,000, with an average credit of \$186.35. This average was applied to the estimated number of new claims.

Under the proposal—reducing the minimum age to 60 and increasing the maximum household income to \$40,000—an additional 5,400 claims are expected. No changes in withholding or estimated tax payments are anticipated; therefore, an estimated revenue decrease of \$1,006,000 is expected in FY27 when the 2026 returns are filed.

¹ This refundable income tax credit is allowed for an Oklahoma taxpayer, head of household, at least 65 years of age or totally disabled, with a gross household income that does not exceed \$12,000. The credit is based on the amount of property tax that exceeds 1% of the household income, limited to a maximum credit of \$200.

2/19/25
DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

2/20/25
DATE

Marie Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

2/20/25
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.