



**BILL/VERSION:** SB 573 / ENGROSSED<sup>1</sup>

**ANALYST:** LH

**AUTHORS:** Sen. Rader, Rep. Pae

**DATE:** 3/13/2025

**TAX(ES):** Income Tax

**SUBJECT(S):** Exemption

**EFFECTIVE DATE:** Nov. 1, 2025

**Emergency**

**ESTIMATED REVENUE IMPACT:**

**FY26: \$0**

**FY27: \$0**

**ANALYSIS:** Senate Bill 573 proposes to amend Title 74, Section 5078 of the Oklahoma Statutes regarding tax exemptions for small business incubators. Beginning in tax year 2026, tenants must submit specific information to the Oklahoma Department of Commerce to maintain their exemption after the initial tax year. This required information includes employment levels, gross revenues, costs for property and services, and the amount of taxable income exempted.

Under the Oklahoma Small Business Incubators Incentives Act, tenants of certified Oklahoma small business incubators are exempt from state tax liability on income earned through activities conducted as an incubator occupant. This exemption can last up to 10 years from the initial occupancy date and continues even after the tenant leaves the incubator, not exceeding a total of 10 years.

The proposed measure is not expected to impact Oklahoma income tax collections.

<sup>1</sup> No substantive changes in Engrossed SB 573.

3/13/25

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.*