



BILL/VERSION:	SB 923 / INTRODUCED	ANALYST: LH
AUTHORS:	Sen. Nice	DATE: 1/20/2025
TAX(ES):	Income Tax	
SUBJECT(S):	Affordable Housing Tax Credit	
EFFECTIVE DATE:	January 1, 2026	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:
FY26: \$0
FY27: \$0

ANALYSIS: Senate Bill 923 proposes to amend 68 O.S. Section 2357.403, relating to the Oklahoma Affordable Housing Act. For qualifying projects placed in service after January 1, 2026, the Oklahoma Housing Finance Authority will only authorize tax credits for low-income buildings that meet the definition of workforce housing. Workforce housing is defined as housing occupied or reserved for households with gross incomes between 60% and 120% of the median gross income for households of the same size in the county where the municipality is located.

The measure increases the total tax credits allocated to qualified projects from \$4 million to \$15 million annually for allocation years 2026 through 2030. For allocation years 2016 through 2025 and 2031 onwards, the allocation amount will remain at \$4 million.

Under current law, the Oklahoma Affordable Housing Act is administered by the Oklahoma Housing Finance Agency and provides for the allocation of up to \$4 million annually in state low-income housing tax credits. The credits are claimed annually over a 10-year period beginning when the building is placed in service, are nonrefundable, and can be carried forward for two years.

According to Oklahoma Tax Commission records, approximately \$536,000 in affordable housing credits were claimed for tax year 2022, with approximately \$532,000 of these credits used to reduce tax liability. Similar activity is projected for tax year 2026.¹

¹ This credit can also be claimed against state premium tax or retaliatory tax imposed by Section 624 or 628 of Title 36 of the Oklahoma Statutes.

1/30/25
DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

1/30/25
DATE

Marie Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

1/31/25
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.