

**BILL SUMMARY**  
1<sup>st</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB573</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Pae</b>
<b>Date:</b>	<b>4/3/2025</b>
<b>Impact:</b>	<b>\$0</b>

**Research Analysis**

The engrossed version of SB 573 requires a small business tenant claiming the incubator tax credit to submit an annual form to the Department of Commerce to continue qualifying for the credit. The form must include employment levels, interns employed, payments to subcontractors, gross annual revenues, annual costs for property and services, any additional financial assistance, and taxable income.

Prepared By: Autumn Mathews

**Fiscal Analysis**

The Oklahoma Tax Commission has provided the following analysis:

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**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.

Prepared By: Zach Penrod, House Fiscal Staff

**Other Considerations**

None.

