

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB2040
Version:	Introduced
Request Number:	N/A
Author:	Nichols
Date:	2/13/2023
Impact:	\$0

Research Analysis

HB2040, as introduced, increases the annual cap for the Oklahoma Affordable Housing Tax Credit from \$4 million per allocation year to \$10 million per allocation year.

Prepared By: Quyen Do

Fiscal Analysis

HB2040 proposes to increase the amount of Oklahoma Affordable Housing Tax Credits allocated annually from \$4 million to \$10million. Assuming the utilization of these credits is similar to years past, the increase in tax credits is not expected to have an impact on state revenues.

As provided by the Oklahoma Tax Commission:

Between 2015 and 2020, a total of \$23.4 million in state credits was issued by OHFA.⁵ Oklahoma Tax Commission (OTC) records indicate approximately \$3.5 million in affordable housing credits were claimed for tax years 2015 through 2020, and \$1.8 million of such credits were used to reduce tax. Most of the credits were used by insurance companies.

OTC records further indicate approximately \$356,000 in affordable housing credits were claimed for tax year 2020, and approximately \$192,000 of such credits were used to reduce tax. Assuming similar activity for tax year 2024, the proposed increase in total annual affordable housing credits is not expected to have an impact on income tax revenue.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.