

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 19, 2021

BILL NUMBER: HB 1062 STATUS AND DATE OF BILL: Engrossed 03/02/21

AUTHORS: House Boles et al. Senate Garvin

TAX TYPE (S): Ad Valorem SUBJECT: Exemption

PROPOSAL: Amendatory

HB 1062 proposes amending 68 O.S. § 2888 providing for purposes of Sections 8E and 8F of Article 10 of the Oklahoma Constitution that if a disabled veteran or the surviving spouse of a disabled veteran occupies improvements which are affixed to the real property and record title to such real property is held by a city or town or an entity formed pursuant to the charter provisions or ordinances of a city or town or formed under other provisions of law for the benefit of such city or town, the improvements shall be considered to be the homestead of such disabled veteran or the surviving spouse of such disabled veteran for all purposes related to the homestead exemption authorized by the provisions of the Ad Valorem Tax Code. The measure further provides that the homestead exemption shall not be denied on the basis that title to such affixed improvements is held by a different person or entity than the entity which holds title to the real property consisting of the land to which such improvements are affixed.

EFFECTIVE DATE: January 1, 2022

REVENUE IMPACT:

FY 22: None

FY 23: Minimal impact to local property tax revenues

Mar. 19, 2021
DATE

Rick Miller
DIVISION DIRECTOR

KLS

3/19/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/19/21
DATE

[Signature]
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.

Attachment to Revenue Impact HB 1062 [Engrossed] - Prepared March 19, 2021

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Assuming all other requirements for exemption qualification pursuant to Section 8E of Article 10 of the Oklahoma Constitution are met, the provisions of the measure would extend exemption application to the full fair cash value of improvements owned by a qualifying 100% disabled veteran or surviving spouse thereof under circumstances where the improvements are located on land owned by a city or town. The proposal also references the exemption afforded surviving spouses of veterans killed in action, pursuant to Section 8F of Article 10 of the Oklahoma Constitution. However, no specific provision is made for this group in the proposed statutory language.

There is no estimated impact to state revenues as a result of this measure. Due to the limited application of the proposed language, the statewide impact to local ad valorem tax revenues is projected to be minimal.