

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB 1427
Version:	INT
Request Number:	12190
Author:	Rep. Boles
Date:	2/4/2025
Impact:	OTC Analysis: Unknown

Research Analysis

HB1427, as introduced, allows insurance companies to fully offset their insurance premium and retaliatory tax obligations with credits from the clean-burning motor vehicle fuel property tax credits.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB 1427 modifies the Credit for Investment in a Clean-Burning Motor Vehicle Fuel Property.

The Oklahoma Tax Commission (OTC) has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY26: No change in income tax collections, unknown change to insurance premium tax collections.

ANALYSIS: HB 1427 proposes to amend 68 O.S. § 2357.22 relating to the *Credit for Investment in a Clean-Burning Motor Vehicle Fuel Property* by specifying that insurance companies claiming the credit² would not be subject to a retaliatory tax and further specifying that the credit may be claimed against any retaliatory tax under Title 36 of the Oklahoma Statutes, effective July 1, 2025.

Overall, this credit has a \$30 million cap that the OTC manages by using a two-year lookback on credit usage. Most recent Oklahoma income tax data suggests under \$10 million in income tax offset by this credit. The potential addition of allowing this credit to be used to offset insurance premium tax should have no additional effect on income tax collections, although insurance premiums tax could be decreased.

ADMINISTRATIVE CONCERNS: In order for the OTC to enforce the annual credit cap, a mechanism for the Oklahoma Insurance Department to share credit usage data with the OTC is necessary.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.

