

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 1359

By: Olsen

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; creating  
8 income tax credit; providing definitions; providing  
9 eligibility for tax credit; providing cap on amount  
10 claimed by taxpayer per taxable year; providing  
11 carryover; prohibiting credit from reducing liability  
12 to less than zero; providing how taxpayer may claim  
13 credit on separate returns; directing Oklahoma Tax  
14 Commission to provide forms; providing procedure for  
15 administering credit; providing annual cap; providing  
16 for severability; and providing an effective date.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 2357.701 of Title 68, unless  
20 there is created a duplication in numbering, reads as follows:

21 A. As used in this section:

22 1. "Commission" means the Oklahoma Tax Commission;

23 2. "Eligible dependent child" means a child who has not  
24 attained the age of nineteen (19) years, otherwise qualifies for  
federal income tax purposes as a dependent of the taxpayer, and is a  
natural child of both of the legally married parent filers.

3. "Taxpayer" means a legally married couple.

1 B. For taxable years beginning after December 31, 2025, there  
2 shall be allowed against the tax imposed pursuant to Section 2355 of  
3 Title 68 of the Oklahoma Statutes, for each eligible dependent child  
4 residing with his or her parents, legally married to one another, a  
5 credit in the following amounts:

6 1. For filers who have been continuously legally married from  
7 one (1) to five (5) years, Five Hundred Dollars (\$500.00);

8 2. For filers who have been continuously legally married from  
9 five (5) to ten (10) years, One Thousand Dollars (\$1,000.00);

10 3. For filers who have been continuously legally married from  
11 eleven (11) to fifteen (15) years, One Thousand Five Hundred  
12 Dollars (\$1,500.00);

13 4. For filers who have been continuously legally married for  
14 sixteen (16) years or more, Two Thousand Dollars (\$2,000.00);

15 C. A taxpayer shall not be allowed to claim a tax credit  
16 authorized under this section in excess of Ten Thousand Dollars  
17 (\$10,000.00) per taxable year.

18 D. Any tax credit claimed under this section but not used in  
19 any taxable year may be carried forward for five (5) consecutive  
20 years from the close of the tax year in which the credits were  
21 earned.

22 E. The credit authorized pursuant to the provisions of this  
23 section may not be used to reduce the tax liability of the taxpayer  
24 to less than zero (0). The credit authorized pursuant to the

1 provisions of this section may not be assigned, transferred, or  
2 sold.

3 F. A husband and wife who file separate returns for a taxable  
4 year in which they could have filed a joint return may each claim  
5 one-half (1/2) of the tax credit that would have been allowed for a  
6 joint return.

7 G. A taxpayer shall pre-apply for credits with the Commission  
8 on forms prescribed by the Commission. In the application to the  
9 Commission, the taxpayer shall certify the number of eligible  
10 dependent children residing in the taxpayer's household for more  
11 than half of the taxable year and shall include a notarized  
12 statement indicating the parents of the children were legally  
13 married to one another in the taxable year and shall also certify  
14 the number of years the couple has been continuously married.

15 H. Credits shall be awarded on a first-come-first served basis,  
16 whether submitted electronically, hand-delivered, or by U.S. Mail.

17 I. Within thirty (30) days after the receipt of an application,  
18 the Commission shall allocate credits based on the dollar amount of  
19 the tax credit as demonstrated in the application. However, if the  
20 Commission cannot allocate the full amount of credits demonstrated  
21 in the application due to the limit on the aggregate amount of  
22 credits that may be awarded under this section in a calendar year,  
23 the Commission shall so notify the applicant within thirty (30) days  
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1 with the amount of credits, if any, that may be allocated to the  
2 applicant in the calendar year.

3 J. The aggregate amount of tax credits that may be allocated by  
4 the Commission under this section during a calendar year shall not  
5 exceed Twenty-five Million Dollars (\$25,000,000.00).

6 SECTION 2. If any one or more provision, section,  
7 subsection, sentence, clause, phrase or word of this act or the  
8 application thereof to any person or circumstance is found to be  
9 unconstitutional, the same is hereby declared to be severable and  
10 the balance shall remain effective notwithstanding such  
11 unconstitutionality. The Legislature hereby declares that it would  
12 have passed each provision, section, subsection, sentence, clause,  
13 phrase or word thereof, irrespective of the fact that any one or  
14 more provision, section, subsection, sentence, clause, phrase or  
15 word be declared unconstitutional.

16 SECTION 3. This act shall become effective January 1, 2026.

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