



BILL/VERSION:	SB 234 / INTRODUCED	ANALYST: MK
AUTHORS:	Sen. Rader	DATE: 2/1/2025
TAX(ES):	Income Tax	
SUBJECT(S):	Credit for Adaptive Reuse Housing Development	
EFFECTIVE DATE:	July 1, 2025	Emergency <input checked="" type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY26: Decrease in individual & corporate income tax collections not to exceed \$5 million.¹

FY27: Unknown decrease in individual & corporate income tax collections.²

ANALYSIS: SB 234 proposes to enact the *Adaptive Reuse Housing Development Program* to be administered jointly by the Oklahoma Tax Commission (OTC) and the Oklahoma Department of Commerce (Commerce). This measure would create a new nonrefundable³ income tax credit for up to 50% of qualified expenditures for an adaptive reuse⁴ project.

Beginning in fiscal year 2026, Commerce would be allowed to authorize up to \$5 million⁵ in income tax credits annually. Establishments must submit their applications for the credit through Commerce. Once an application is approved and the adaptive reuse project is completed⁶, establishments can begin claiming credits in tax year 2026. After Commerce approves a credit claim, they will notify the OTC of the awarded amount. Credits will be awarded for the tax year corresponding to the calendar year in which Commerce approves the claim.

¹ The number of applicants and the amount of qualified expenditures for this proposed program are currently unknown.

² Unused FY26 credits may be added to the FY27 \$5 million credit cap.

³ Unused credits may be carried over for a period of 10 years.

⁴ Adaptive reuse means the process of adapting obsolete structure for residential use.

⁵ Commerce may authorize partial credits to remain within the FY cap of \$5 million.

⁶ Commerce must verify the project is completed and meets all prescribed requirements before approving the claim for credit. Commerce and OTC are authorized to promulgate rules for *Adaptive Reuse Housing Development Program*.

2/3/25

DATE

Huan Gong

DR. HUAN GONG, CHIEF TAX ECONOMIST

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DATE

Marie Schuble

MARIE SCHUBLE, DIVISION DIRECTOR

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Joseph P. Gappa

JOSEPH P. GAPPA, 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.