

## Overview of Legislation from the First Session of the 60th Legislature

### Tax Cut and Reform

- Immediate Tax Relief: Reduces the income tax rate from 4.75% to 4.5% for the top three brackets starting in tax year 2026.
- Simplified Tax Brackets: Consolidates six personal income tax brackets into four brackets on taxable income for easier understanding and administration.
- Automatic Reduction Triggers: Ties future tax rate reductions to state revenue performance, allowing for 0.25% cuts if certified benchmarks are met.
- Fiscal Safeguards: Nullifies any scheduled reduction if a revenue failure is declared, ensuring the state can continue to meet essential funding needs.

### New Tax Bracket Structure (Effective Tax Year 2026)

<b>CURRENT LAW</b>				
<i>Single &amp; Married Separate Filers</i>				
Taxable income	Pay	plus	over	
\$0	\$1,000	\$0.00	0.25%	\$0
\$1,001	\$2,500	\$2.50	0.75%	\$1,000
\$2,501	\$3,750	\$13.75	1.75%	\$2,500
\$3,751	\$4,900	\$35.63	2.75%	\$3,750
\$4,901	\$7,200	\$67.25	3.75%	\$4,900
\$7,201	and above	\$153.50	4.75%	\$7,200

<b>CURRENT LAW</b>				
<i>Married Joint, Head of Household &amp; Surviving Spouse Filers</i>				
Taxable income	Pay	plus	over	
\$0	\$2,000	\$0.00	0.25%	\$0
\$2,001	\$5,000	\$5.00	0.75%	\$2,000
\$5,001	\$7,500	\$27.50	1.75%	\$5,000
\$7,501	\$9,800	\$71.25	2.75%	\$7,500
\$9,801	\$14,400	\$134.50	3.75%	\$9,800
\$14,401	and above	\$307.00	4.75%	\$14,400

<b>PROPOSED BRACKETS</b>				
<i>Single &amp; Married Separate Filers</i>				
Taxable income	Pay	plus	over	
\$0	\$3,750	\$0.00	0%	\$0
\$3,751	\$4,900	\$0.00	2.50%	\$3,750
\$4,901	\$7,200	\$28.75	3.50%	\$4,900
\$7,201	and above	\$109.25	4.50%	\$7,200

<b>PROPOSED BRACKETS</b>				
<i>Married Joint, Head of Household &amp; Surviving Spouse Filers</i>				
Taxable income	Pay	plus	over	
\$0	\$7,500	\$0.00	0%	\$0
\$7,501	\$9,800	\$0.00	2.50%	\$7,500
\$9,801	\$14,400	\$57.50	3.50%	\$9,800
\$14,401	and above	\$218.50	4.50%	\$14,400

### Path to Full Income Tax Repeal – Trigger Framework

- Trigger Mechanism: Beginning in 2026, a 0.25% rate cut will be triggered when the comparison year's total collections exceed the base year's total collections by an amount equal to the cost of a 0.25% rate cut multiplied by 1.25.
- Certified by BOE: The State Board of Equalization will certify fiscal benchmarks annually in December.
- Delayed Effective Date: Any triggered cut takes effect in two tax years, providing ample time for budget adjustments.
- Revenue Failure Provision: If a revenue failure is declared in the intervening time, the scheduled cut is automatically nullified

### Economic Development Initiatives

**House Bill 2781-** Reindustrialize Oklahoma Act (ROA-25), a direct result of President Trump's America First economic policy

- \$4 billion aluminum smelter investment by Emirates Global Aluminum (EGA)
  - The first new aluminum smelter in the U.S. in over 45 years
- Project will create over 1,000 high-paying jobs and double U.S. aluminum production capacity.
- Incentives administered by the Oklahoma Department of Commerce (ODOC) and funded via a long-term annuity structure for fiscal responsibility
- Will significantly strengthen America's critical mineral supply chains—vital for national security and industry

**Senate Bill 662-** Oklahoma Workforce Commission

- Directs the Commission to implement programs targeting high-demand or critical jobs, ensuring Oklahoma is prepared to meet evolving labor market needs
  - Required to provide data for the Legislature's interactive Workforce & Infrastructure Working Group map, enhancing transparency and informed decision-making
- Encourages work-based learning opportunities—bridging the gap between classrooms and careers

**House Bill 2374-** Strengthening and modernizing Filmed in Oklahoma Act

- Amends “production cost” to include wages or salaries paid to career tech students
- Clarifies that apprentice requirements are tied to in-state expenditures
- Broadens the definition of film to include: animation, commercials, documentaries, feature films, game shows, pilots, reality television, scripted television and talk shows
- Removes salary restrictions for above-the-line personnel
- Requires loan-out company employees to pay Oklahoma state income tax

**Senate Bill 638-** Eliminates a mandatory 6% markup on many common retail goods, an unnecessary upcharge that has been in state law since 1949.

**Senate Bill 20-** Creates the Secure Roads and Safe Trucking Act of 2025

- Establishes requirements that drivers must have proof of citizenship or valid work visa status and be proficient in English to operate a commercial vehicle in Oklahoma.

**House Bill 2260-** Establishes three strategic tax credits to strengthen Oklahoma's civil engineering workforce and keep top talent in-state.

- Qualified engineers receive a tax credit equal to 5% of paid to civil engineers, or 10% if the engineer graduated from an Oklahoma college.
- Covers up to 50% of tuition reimbursement, available up to five years

**Senate Bill 1150-** Appropriates \$15 million to the Department of Aerospace and Aeronautics for infrastructure upgrades at a primary commercial airport

**Senate Bill 490-** Updates NIL rights to allow student-athletes at state universities to enter licensing and endorsement deals, aligning Oklahoma with national standards.

## **Education**

**Senate Bill 139-** Bell-to-Bell Cell Phone Ban

- Requires school districts to enforce a complete cell phone ban during instructional hours
- Aims to improve student focus and classroom performance

**House Bill 1087-** Teacher Salary Schedule Extension

- Extends the teacher pay scale from 25 to 35 years of experience
- Supports veteran educators and incentivizes long-term teaching careers
- Adds an additional instruction day to the academic calendar

**House Bill 2287-** Per-Pupil Spending Adjustment

- Includes CareerTech and concurrent class costs in per-pupil expenditure formula
- Enhances accuracy in education funding metrics

**House Bill 1393-** Ensures parents give formal consent before IEP students are placed in alternative assessments

- Requires new consent forms for key IEP decisions
- Applies to reduced general education time or alternative assessments
- Mandates an IEP meeting with parents before changes

**Senate Bill 711-** Removes chronic absenteeism from A-F school report cards

- Removes chronic absenteeism from A-F school report card measures
- Changes how school grades are calculated
- Awards up to 3 bonus points for providing extra in-person instruction
- Awards up to 2 bonus points for reducing chronic absenteeism
- Updates graduation rate calculations by excluding certain student transfers and cases
- Requires the State Board of Education to amend the ESSA plan to reflect these changes

**House Bill 1412 -** Provides stipends vs. salary for teachers with advanced, lead and master certificates

- Gives additional money to our best teachers
- Allows high-need Title I districts to designate 10% more teachers as advanced, lead or master

**House Bill 1727-** Allows children of long-term public school teachers to qualify for OHLAP if household income is under 700% of the federal poverty level

- Applies to certified full-time teachers with at least 10 years in the classroom (not administrators)
- Extends OHLAP application deadline to December 31 of senior year; age 17 for homeschooled students

- Changes take effect in the 2025–2026 school year

**Senate Bill 701-** Allows colleges and universities to offer programs outside their assigned geographic areas to address workforce needs

**Senate Bill 140-** Creates the Oklahoma Math Achievement and Proficiency Act with \$1 million in funding

- Provides teachers and students additional screening and supports in math

**Senate Bill 758** - restricts virtual days in schools to no more than 2 per year

**Senate Bill 105** - Removes the prior public school enrollment requirement for the Lindsey Nicole Henry Scholarships for Students with Disabilities Program

### **Tort & Worker's Compensation Reform**

**Senate Bill 1168-** Reforms the Governmental Tort Claims Act

- Raises liability caps under the Governmental Tort Claims Act for property loss, nuisance, and personal injury claims
- Sets new award limits based on county population size
- Increases liability limits for state mental health hospitals and public trust hospitals
- Establishes a \$2 million cap on total liability from a single event
- Requires liability limits to adjust every 5 years, capped at 4% growth

**Senate Bill 642-** Allows general contractors to provide workers' compensation insurance for subcontractors by agreement and raises the permanent partial disability cap to \$375/week starting July 1, 2025

**Senate Bill 453** - Sets a new noneconomic damages cap and creates the Oklahoma Expedited Actions Act

- Sets strict deadlines and limits on discovery, trial time, and continuances
- Allows one brief, low-cost alternative dispute resolution session per case
- Aligns expert testimony standards with federal rules
- Raises the noneconomic damages cap from \$350,000 to \$500,000
- Removes the cap for severe permanent physical injuries
- Sets a \$1 million cap for permanent mental injuries affecting work or quality of life

### **Military & Public Safety**

**House Bills 2518 & 2516-** Creates the revolving funds at the state Treasury for use by the Oklahoma Military Department.

- House Bill 2516 creates the BIND-Schools Fund, which can be used to make infrastructure investments improving common education facilities located on military bases in the state
- House Bill 2518 creates the BIND-Technology Fund, which can be used to make infrastructure investments including the purchase of license and software associated with military simulation training
- The goal of this legislation is to prevent any future base closures and expanding operations when possible

**House Bill 2769-** Ensures retirement benefits for military members

- Grants the Adjutant General expanded authority over armed forces, OMD police/fire units, scholarships, and IT exemptions
- Ensures full-time state military employees receive the same compensation as active duty personnel
- Reforms the Oklahoma Uniform Code of Military Justice, including timelines, rank protections, new punishable offenses, and court-martial rules
- Creates a supplemental retirement fund for ONG members with 25+ years of service, effective Nov. 1, 2027
- Establishes the ONG Career Assistance Program for tuition at tech centers, with benefits transferable to dependents
- Names a new OMD facility the “Benjamin T. Walkingstick National Guard Complex”

**Senate Bill 595-** Creates the Oklahoma Jail Standards Act and establishes comprehensive standards for the operation of detention and lockup facilities in Oklahoma.

**Senate Bill 599-** Strengthens Oklahoma’s legal response to heinous crimes against children. The new law grants prosecutors the authority to pursue the death penalty for individuals convicted of child rape on a first offense.

**Other Conservative Priorities**

**Senate Bill 1027-** Establishes reasonable guardrails on initiative petitions to ensure integrity in the process.

**House Bill 2151-** Requires the State Department of Education to publish federal guidance from the U.S. Department of Education online within 5 days of receipt

**Senate Bill 889-** Codifies an executive order from President Donald Trump that requires hospitals to publish prices for their 300 most common services.

**House Bill 2762-** Requires agents of international corporations to register with the Secretary of State and pay a \$25 fee before lobbying for state laws or funding that would benefit their corporation, with national security exemptions

**Senate Bill 658-** Ensures eligible foster or adoptive parents aren’t excluded from consideration based solely on their deeply held religious or moral beliefs regarding sexual identity or gender orientation.

**House Bill 1607**- Requires all state agencies to annually report contract employee counts to OMES starting July 1, 2026

- Reports must include contract conditions and employee pay
- Removes the requirement to use Workday for reporting; agencies can use existing payroll software

**Senate Bill 672**- Reforms executive branch emergency powers by requiring scientific evidence and due process before a business can be ordered to close during an emergency.