



State of Oklahoma Natural Disaster Tax Credit

(For residential real property owners only)

FORM **576** 2021

Read all information on the back of this form prior to completing the fields below. Keep a copy of this form to file with your return for the next four years.

Name (as shown on your income tax return) _____	Social Security Number _____
Name of property owner(s) <i>-if different from above</i> _____	Address of Property _____
Parcel Identification Number or Account Number _____	Legal Description of Property (include county) _____

Enter the qualifying natural disaster that damaged or destroyed your Oklahoma residence. To qualify, a Presidential Major Disaster Declaration must have been issued. *Qualifying Oklahoma natural disasters for which a Presidential Major Disaster Declaration was issued can be found on FEMA's website at www.fema.gov/disasters.* The Declaration Type is 'Major Disaster Declarations'.

Oklahoma Natural Disaster _____	Date of Natural Disaster _____
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Credit Computation

1 Enter only the allowed <u>ad valorem property tax</u> paid on the property (and improvements) the first year after the improvement is complete	_____ (Property Tax Only)
➔ (If you increased the size of your home, see Line 1 instructions on the back of the form to determine the amount to enter on this line)	
2 Enter only the <u>ad valorem property tax</u> paid on the property (and improvements) in year prior to the damage or destruction	_____ (Property Tax Only)
Note: You must be the owner of record for each tax year the credit is claimed.	
3 Refundable credit available for tax year 2021. (Subtract line 2 from line 1)	_____
4 Refundable credit available for tax year 2022. (Multiply line 3 by 80%)	_____
5 Refundable credit available for tax year 2023. (Multiply line 4 by 80%)	_____
6 Refundable credit available for tax year 2024. (Multiply line 5 by 80%)	_____
7 Refundable credit available for tax year 2025. (Multiply line 6 by 80%)	_____

The filing of this form authorizes the Oklahoma Tax Commission to verify the information contained herein with the applicable County Assessor's and/or Treasurer's office. If this is the first year you are claiming the credit, you may be asked to validate the amounts on lines 1 and 2. To provide validation, you may enclose a copy of your ad valorem property tax bill and provide the square footage of the home for the first year after the improvement is complete (Line 1) and for the year prior to the damage or destruction (Line 2).

Natural Disaster Tax Credit Instructions

68 Oklahoma Statutes Sec. 2357.29A

A credit is allowed against income tax for owners of residential real property whose primary residence was damaged or destroyed in a natural disaster. For purposes of this credit, a "natural disaster" means a weather or fire event for which a Presidential Major Disaster Declaration was issued.

The amount of the credit is the difference between the ad valorem property tax paid on the property and improvements in the year prior to the damage or destruction and the ad valorem property tax paid the first year after the improvement is complete. For purposes of this credit, the amount of ad valorem property tax paid the first year after the improvement is complete is based on the same or similar square footage as the property that was damaged or destroyed.

The credit is a refundable credit. Eligible taxpayers are entitled to claim this credit for five consecutive years. After the first year the credit is claimed, the amount of the credit is 80% of the previous year's credit.

The credit will not be allowed if the property is transferred or title is changed or conveyed. Any credit claimed and allowed prior to the transfer of the property or the change or conveyance of title will not be affected.

In order to qualify for this credit:

1. The property was damaged or destroyed by a natural disaster;
2. The property is within an area that has been declared a federal disaster area;
3. The property is the primary residence of the owner both the year prior to and after the natural disaster;
4. The owner has been granted a homestead exemption or is eligible to claim a homestead exemption both the year prior to and after the natural disaster;
5. The primary residence must be repaired or rebuilt on the same property as it existed prior to the natural disaster; and
6. The primary residence must be repaired or rebuilt and used as the primary residence no later than 36 months after the date of any natural disaster.

Line 1 instructions:

If your home, after being rebuilt or repaired, has more square feet than it did in the year prior to the natural disaster, do not enter the full amount of your property tax on line 1. The credit is based on same or similar square footage; therefore, you must determine the portion of your property tax based on the size of your home, as it was in the year prior to the natural disaster. Use the following steps to determine the amount to enter on line 1.

Step One: Determine the property tax, per square foot, of your home after being rebuilt or repaired. To do this divide the property tax on your rebuilt or repaired home by your home's current square footage.

Step Two: Multiply the amount from Step One by what your home's square footage was in the year prior to the natural disaster. Enter this amount on line 1, this is the portion of your property tax upon which the credit is based.

Example: Your home in 2017 was 1,200 square feet and your property tax was \$390. After your home was rebuilt or repaired it is now 2,500 square feet and your property tax is \$1,000.

Step One: $\frac{\$1,000}{2,500} = \0.40 per square foot.

Step Two: $\$0.40 \times 1,200 = \480 .

Enter \$480 on line 1 and \$390 on line 2. Your credit is \$90 (line 3).