OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-THIRD OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: May 23, 2011

BILL NUMBER: HB 1284

STATUS AND DATE OF BILL: Enrolled 4/19/11

AUTHORS: House Dank Senate Mazzei

TAX TYPE (S): All **SUBJECT:** Credit

PROPOSAL: New Law

HB 1284 proposes reporting requirements for tax credits which are transferred or allocated.

EFFECTIVE DATE: July 1, 2011 - Emergency

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 12: None
FY 13: None

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 12: Minimal increase in costs for the Tax Commission

May 24, 2011
DATE

Rick Miller
DIVISION DIRECTOR

lrh

5-24-2011
DATE

REECE WOMACK, ECONOMIST

5/24/11
DATE

FOR THE COMMISSION

Attachment to Fiscal/Administrative Impact for HB 1284 (ENR) – prepared 05/23/11

HB 1284 proposes reporting requirements for tax credits which are transferred or allocated.

By the twentieth day of the second month after the tax year in which a credit generating activity occurs, the taxpayer is to report to the Tax Commission or Insurance Department the amount of the credit generated and the statutory basis for such credit if the credit is transferable or will or may be allocated. If the credit is transferable, the report will include whether the credit will or may be transferred, and the name of the taxpayer to whom the credit is transferred. The report shall also include whether the credit will or may be allocated by a pass-through entity to shareholders, partners or members of the pass-through entity, and the identity of the transferees.

The following credits are exempt from the additional reporting requirements:

- Sales Tax Relief Credit (68 O.S. § 5011)
- Low Income Property Tax Relief Credit (68 O.S § 2907)
- Earned Income Tax Credit (68 O.S. § 2357.43)
- Child Care/Child Tax Credit (68 O.S. § 2357)
- Credit for Taxes Paid to Another State (68 O.S. § 2357)
- Credit for Property Taxes Paid on Tornado Damaged Residential Property (68 O.S. § 2357.29)

The Oklahoma Tax Commission and the Oklahoma Insurance Department will compile a list of the tax credits reported and provide the list to the Governor, Speaker of the Oklahoma House of Representatives, the President Pro Tempore of the State Senate and the Director of the Oklahoma Office of State Finance no later than June 1 of each year. This report is to be published on the Tax Commission's website no later than five (5) working days after the report has been submitted to the Governor. The list of reported tax credits shall separately identify the amount of credits that may be claimed against each tax type administered by each of the agencies and the name of the entity that will be claiming the credit.

The Oklahoma Tax Commission and the Oklahoma Insurance Department are to make an estimate of the revenue impact resulting from the credits on a separate fiscal year by fiscal year basis.

If a taxpayer fails to file the report as required, the Tax Commission or Insurance Department shall disallow the tax credit and make any necessary adjustment to the applicable tax liability; however, upon filing of the report, the credit shall be allowed.