

# OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: April 11, 2011

BILL NUMBER: SB 269 STATUS AND DATE OF BILL: Engrossed 3/16/11

AUTHORS: House Liebmann Senate Schulz

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 269 proposes to amend the income tax credit for railroad modernization (68 O.S. § 2357.104) by shortening the time period this credit is subject to the tax credit moratorium.

EFFECTIVE DATE: November 1, 2011

### REVENUE IMPACT:

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

FY 13: Projected revenue decrease of \$565,000

### ADMINISTRATIVE IMPACT:

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

FY 12: None

April 13, 2011  
DATE

Rick Miller  
DIVISION DIRECTOR

mck

4-15-2011  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

4/20/11  
DATE

[Signature]  
FOR THE COMMISSION

## ATTACHMENT TO FISCAL IMPACT - SB 269[Engrossed] Prepared April 11, 2011

SB 269 proposes to amend the income tax credit for railroad modernization (68 O.S. § 2357.104) by shortening the time period this credit is subject to the tax credit moratorium enacted in SB 1267 (2010) for activity occurring between July 1, 2010 through June 30, 2012.

Under current law, the income tax credit for railroad modernization (68 O.S. § 2357.104) is subject to a tax credit moratorium from July 1, 2010 through June 30, 2012. No railroad modernization credit may be generated for expenditures made during the moratorium period. This proposal would change the moratorium time period for this credit to July 1, 2010 through December 31, 2011, thus shortening the moratorium period by six (6) months. In other words, the railroad modernization credit could be *generated* by expenditures occurring on or after January 1, 2012.

OTC anticipates \$1.13 million in railroad modernization credits would have been taken during FY12 were the moratorium not in place.<sup>1</sup> If the moratorium were shortened to include only half of FY12, an anticipated revenue decrease in the amount of \$565,000 would result.

There is also language that provides that the credits generated in calendar year 2012 cannot be claimed until calendar year 2013.

This measure would result in a negative revenue impact of \$565,000 in FY13.

---

<sup>1</sup> Fiscal Impact Statement Enrolled Version of SB 1267 - May 26, 2010