OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 22, 2011

BILL NUMBER: SB 391 **STATUS AND DATE OF BILL:** Engrossed 3/14/11

AUTHORS: House Hickman Senate Jolley

TAX TYPE (S): Compete with Canada Film Rebate **SUBJECT:** Other

PROPOSAL: Amendatory

SB 391 proposes to amend Compete with Canada Film Act (68 O.S. § 3623 et. seq.) This measure proposes to modify definitions relating to certain qualifying expenditures and increase the percentage of expenditures eligible for the rebate from seventeen percent (17%) to thirty-five percent (35%). Further, it increases the annual fiscal year maximum rebates paid from Five Million Dollars ($5,000,000) to Ten Million Dollars ($10,000,000).

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 12: Projected revenue decrease of $5,000,000

ADMINISTRATIVE IMPACT:

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

FY 12: -0-

3/9/11 — DATE — DIVISION DIRECTOR — mck

4/4/11 — DATE — REECE WOMACK, ECONOMIST

4/4/11 — DATE — FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 391[Engrossed] Prepared March 22, 2011

SB 391 proposes to amend Compete with Canada Film Act (68 O.S. § 3623 et. seq.) This measure proposes to modify definitions relating to certain qualifying expenditures and increase the percentage of expenditures eligible for the rebate from seventeen percent (17%) to thirty-five percent (35%). Further, it increases the annual fiscal year maximum rebates paid from Five Million Dollars ($5,000,000) to Ten Million Dollars ($10,000,000).

Current Law:

Under current law, the Office of Oklahoma Film and Music Commission is authorized to approve claims for rebates based on documented expenditures that are directly attributable to the production of a film, television production or television series in Oklahoma. The rebate is generally capped at seventeen percent (17%) of eligible expenditures, although this percentage can increase to nineteen percent (19%) for certain music productions. Further, the maximum amount of rebates eligible to be paid in any one fiscal year is Five Million Dollars ($5,000,000).

Proposed Law:

The measure proposes to clarify certain definitions of eligible expenditures and increases the basic credit percentage to thirty-five percent (35%) of eligible expenditures [thirty-seven percent (37%) of certain music productions]. Also, the annual fiscal year maximum rebates payable is increased to Ten Million Dollars ($10,000,000).

Fiscal Analysis:

With the increase in percentage eligible, coupled with currently paid rebates, it is anticipated that the Film Rebate program will hit the maximum Ten Million Dollars ($10,000,000). Therefore the fiscal impact of this measure is Five Million Dollars ($5,000,000) in FY12.