

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 21, 2011

BILL NUMBER: SB 0757 **STATUS AND DATE OF BILL:** Engrossed 03/16/2011

AUTHORS: House Ortega Senate Schulz, Russell, Bass & Garrison

TAX TYPE (S): Coin-Op **SUBJECT:** Exemption

PROPOSAL: Amendatory 68 O.S. § 1503

The proposal would reduce the coin-operated decal for music devices, amusement devices, and any device requiring a coin or thing of value of twenty five cents (\$.25) or more from the current rate of \$150 per device to \$75 per device.

EFFECTIVE DATE: Emergency- July 01, 2011

REVENUE IMPACT:

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

FY 11: \$7,361,000 decrease in coin-op decal fees.

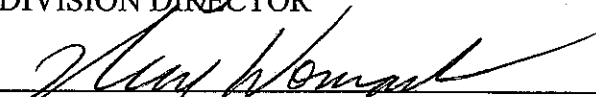
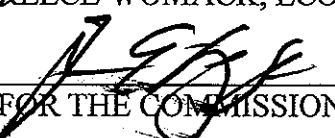
FY 12: \$572,000 decrease in coin-op decal fees.

FY 13: \$4,089,000 decrease in coin-op decal fees.

ADMINISTRATIVE IMPACT:

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

FY 12: None

<u>March 21, 2011</u>	<u></u>	<u>mm</u>
DATE	DIVISION DIRECTOR	
<u>3/22/2011</u>	<u></u>	
DATE	REECE WOMACK, ECONOMIST	
<u>3/22/11</u>	<u></u>	
DATE	FOR THE COMMISSION	

ATTACHMENT TO FISCAL IMPACT SB 0757 [Engrossed] Prepared March 21, 2011

In 2010, Tax Commission records indicate that 54,524 full year coin-op decals were issued for music, amusement, and devices requiring a coin or thing of value of twenty five cents (\$.25) or more. Multiplying 54,524 coin-op decals by the current one hundred and fifty dollar (\$150) fee, results in estimated collections of coin-op decal fees of \$8,178,600.

Based on prior purchasing patterns 96% or 52,343 of the FY 12 decals would be purchased prior to July 1, 2011, however; for purposes of this impact, it is assumed in response to a decrease in decal price that only ten (10%) or 5,452 of the FY 2012 decals will be purchased before July 1, 2011 with the remaining ninety percent (90%) or 49,072 of the FY 2012 decals being purchased on or after July 1, 2011 resulting in a decrease in coin-op decal fee collections of \$7,360,740 for FY 11. [$\$8,178,600 - \$817,860 = \$7,360,740$].

Multiplying the 49,072 FY 12 decals by the fee of \$75.00, results in collections of \$3,680,400. Assuming prior purchasing habits resume, 96% or 52,343 of the coin-op decals for FY 13 will be purchased in May and June of 2012 resulting in combined collections of \$7,606,125 yielding a decrease in coin-op decal fees collections for FY 12 of \$572,475. [$\$8,178,600 - 7,606,125 = \$572,475$]. The remaining 4% or 2,181 of the FY 2013 decals along with 96% or 52,343 of the FY 14 decals will be purchased in FY 13. Application of the \$75.00 decal fee to the 54,524 decals results in an estimated decrease in coin operated decal fees for FY 13 of \$4,089,300.