OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 8, 2013

BILL NUMBER: HB 1433 **STATUS AND DATE OF BILL:** Introduced 1/7/13

AUTHORS: House Turner Senate n/a

TAX TYPE (S): Franchise Tax **SUBJECT:** Other

PROPOSAL: Amendatory

HB 1433 proposes to amend 68 O.S. § 1205, which relates to the payment of Oklahoma franchise tax on domestic and foreign corporations.

EFFECTIVE DATE: July 1, 2013 - Emergency

REVENUE IMPACT:

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

FY 14: -0-
FY 15: Projected revenue decrease of $2.02 million.

ADMINISTRATIVE IMPACT:

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

FY 14: No additional costs or saving are anticipated.

Feb. 8, 2013
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-9-2013
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/9/13
DATE

Dawn Elizabeth Cash
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - HB 1433[Introduced] Prepared February 8, 2013

HB 1433 proposes to amend 68 O.S. § 1205 which relates to the payment of Oklahoma Franchise Tax on domestic and foreign corporations.

Under current law, a moratorium on the levy of the franchise tax was enacted between July 1, 2010 and July 1, 2013; with the Franchise Tax becoming due again for filing and payment July 1, 2014. Further, entities that owe $250 or less of Franchise Tax are exempt from the tax. This measure proposes to increase the amount of exemption to $500 or less. When franchise tax filings begin again July 1, 2014, it is estimated that approximately 5,600 entities will file franchise tax returns with between $250 and $500 of franchise tax due and remit $2.02 million. The fiscal impact of this proposal is a revenue decrease of $2.02 million in FY15.