

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 5, 2013

BILL NUMBER: HB 1744 STATUS AND DATE OF BILL: Introduced 1/7/13

AUTHORS: House Wright Senate n/a

TAX TYPE (S): Income Tax SUBJECT: Apportionment

PROPOSAL: Amendatory

HB 1744 proposes to amend 68 O.S. § 2352 which relates to the apportionment of individual and corporate income tax revenue. This measure decreases the amount of revenue apportioned to the General Revenue Fund and increases the amount of revenue apportioned to the Ad Valorem Reimbursement Fund.

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: Projected decrease in the amount apportioned to the General Revenue Fund of \$17.9 million; projected increase in the amount apportioned to the Ad Valorem Reimbursement Fund of \$17.9 million.

ADMINISTRATIVE IMPACT:

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

FY 14: No anticipated cost or savings.

Feb. 5, 2013
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-6-2013
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/6/13
DATE

FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - HB 1744 [Introduced] Prepared February 5, 2013

HB 1744 proposes to amend 68 O.S. § 2352 which relates to the apportionment of individual and corporate income tax revenue. This measure decreases the amount of revenue apportioned to the General Revenue Fund and increases the amount of revenue apportioned to the Ad Valorem Reimbursement Fund.

Under current law, 85.66% of individual income tax collected is apportioned to the General Revenue Fund and 77.5% of corporate income tax collected is apportioned to the General Revenue Fund, while 1% of both individual income tax and corporate income tax collections are apportioned to the Ad Valorem Reimbursement Fund. This measure would decrease the amount apportioned to the General Revenue Fund from individual income tax collections to 85.16% and decrease the amount apportioned to the General Revenue Fund from corporate income tax collections to 77.0%. The amount apportioned to the Ad Valorem Reimbursement Fund would increase from 1% to 1.5% from both revenue sources. While this measure would not change revenue collections, there will be a negative impact to the General Revenue Fund. Based on the FY14 Oklahoma Tax Commission Revenue Forecast, it is anticipated that total individual income tax collections would be \$2.959 billion¹. Based on this forecast the General Revenue Fund would decrease by \$14.8 million, with that amount going to the Ad Valorem Reimbursement Fund instead. FY14 corporate collections, based on the FY14 Oklahoma Tax Commission Revenue Forecast, are projected at \$626.5 million in revenue¹. Based on this forecast the General Revenue Fund would decrease by \$3.1 million, with that amount going to the Ad Valorem Reimbursement Fund instead. The overall decrease to the General Revenue Fund is projected at \$17.9 million in FY14.

¹Oklahoma Tax Commission - Revenue Forecast for FY14, December 13, 2012.