

# OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: May 24, 2016

BILL NUMBER: SB 1604 STATUS AND DATE OF BILL: Enrolled Bill 5/19/16

AUTHORS: House Sears & Casey Senate Jolley, Treat & Mazzei

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 1604 proposes to amend 68 O.S. § 2357.43 which relates to the Oklahoma Earned Income Credit. This measure proposes to eliminate the refundable aspect of this credit beginning with tax year 2016.

EFFECTIVE DATE: November 1, 2016

### REVENUE IMPACT:

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

FY 17: Projected increase in income tax collections of \$28,910,000

### ADMINISTRATIVE IMPACT:

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

FY 17: No additional cost or savings to the Tax Commission are anticipated due to this proposed legislation.

|                             |                                                |            |
|-----------------------------|------------------------------------------------|------------|
| <u>May 24, 2016</u><br>DATE | <u>Rick Miller</u><br>DIVISION DIRECTOR        | <u>mck</u> |
| <u>5-24-16</u><br>DATE      | <u>Reece Womack</u><br>REECE WOMACK, ECONOMIST |            |
| <u>5/24/16</u><br>DATE      | <u>Dan Carr</u><br>FOR THE COMMISSION          |            |

**ATTACHMENT TO FISCAL IMPACT – SB 1604 [Enrolled] Prepared May 24, 2016**

SB 1604 proposes to amend 68 O.S. § 2357.43 which relates to the Oklahoma Earned Income Credit. This measure proposes to eliminate the refundable aspect of this credit beginning with tax year 2016.

Under current law the Oklahoma Earned Income Credit is equal to 5% of the earned income credit allowed on a taxpayer's federal income tax return. This is a refundable tax credit with no carryover provisions.

The impact is an estimated \$28,910,000 increase in income tax collections in FY17.