

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: May 27, 2016

BILL NUMBER: SB 1614 STATUS AND DATE OF BILL: Enrolled Bill 5/25/16

AUTHORS: House Sears & Casey Senate Jolley & Treat

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 1614 proposes to amend 68 O.S. § 2357.11 which relates to the Coal Credit.

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 \$978,000.

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.

May 27, 2016
DATE

Rick Miller
DIVISION DIRECTOR

mck

5-27-16
DATE

Reece Womack
REECE WOMACK, ECONOMIST

5/27/16
DATE

Dan Cash
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 1614 [Enrolled] Prepared May 27, 2016

SB 1614 proposes to amend 68 O.S. § 2357.11 which relates to the Coal Credit.

Under current law, 68 O.S. § 2357.11 (B) provides an income tax credit for the purchase of Oklahoma-mined coal to businesses providing water, heat, light or power from coal to the citizens of Oklahoma, or to those businesses which burn coal to generate heat, light or power for use in manufacturing operations in Oklahoma. An additional credit is allowed for Oklahoma-mined coal purchased. 68 O.S. § 2357.11 (D) provides a coal credit to businesses primarily engaged in mining, producing or extracting coal in this state. A valid permit issued by the Oklahoma Department of Mines must be held. The credit provided in this paragraph will not be allowed for coal mined, produced or extracted in any month in which the average price of coal is \$68 or more per ton, excluding freight charges. Credits earned prior to January 1, 2014, are transferable and may be claimed up to five (5) years. For credits earned on or after January 1, 2014, any credit earned but not used shall be refunded at an amount equal to eighty-five percent (85%) of the amount of the credit.

This measure proposes to limit this credit effective January 1, 2016 to seventy-five percent 75% of the amount allowed under current law.

The impact is an estimated of \$978,000 increase in income tax collections in FY17.