OKLAHOMA
Tax Commission

MEMO

Tax Policy and Research Division

DATE: MARCH 2, 2022

TO: RICK MILLER, DIRECTOR RGM
TAX POLICY & RESEARCH DIVISION

FROM: CHRISTY CAESAR

SUBJECT: PROPOSED COMMITTEE SUBSTITUTE FOR HB 4451

This is in response to your request for a revenue impact for Proposed Committee Substitute for HB 4451 which proposes amendment to Section 2902 of Title 68 of the Oklahoma Statutes by requiring that a facility engaged in manufacturing shall have the payroll requirements of paragraph 4 of subsection (C) waived for tax year 2021 which is based in part on the 2020 calendar year payroll reported to the Oklahoma Employment Security Commission, and may continue to receive the exemption for the five-year period provided in Section 2902 only if all other requirements of the section are met.

Based on tax year 2021 exemption applications [XM1- XM5] filed by companies falling within the parameters of the proposal, an increase of $8,500,000 in claims against the Ad Valorem Reimbursement Fund for the 2022 reimbursement is estimated.