

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1473

By: Laughlin

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Section 118, as last amended by Section 1, Chapter 447, O.S.L. 2005 (68 O.S. Supp. 2005, Section 118), which relates to estimates of fiscal impact of legislation; modifying basis for certain estimates; authorizing Oklahoma Tax Commission to contract with specified entities for certain purpose; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2001, Section 118, as last amended by Section 1, Chapter 447, O.S.L. 2005 (68 O.S. Supp. 2005, Section 118), is amended to read as follows:

Section 118. A. Upon receipt of a written request from a member or employee of the Legislature, the Oklahoma Tax Commission shall provide:

1. A written estimate of the revenue gain or loss to the state as a result of an actual or proposed change to a state tax law; and
2. A written statement of the Tax Commission's recommendation to the State Board of Equalization as to the change in the amount certified as available for appropriation by the Legislature as a result of an actual or proposed change to a state tax law.

The Tax Commission shall provide such estimate and statement within two (2) weeks of the date the request was received unless the member or employee of the Legislature specifies an earlier date. If the Tax Commission determines that it is unable to provide such estimate and statement within the time period required by this section, it shall provide a written explanation and date by which

the estimate and statement will be provided to the member or employee.

B. In developing the estimates and statements required by subsection A of this section, the Tax Commission shall utilize a dynamic revenue estimating model which will take into consideration changes in economic activity as a result of the proposed legislation and consequent revenue gains or losses due to factors such as taxpayer behavior, employment and business investment. The Tax Commission may, subject to the availability of funds and subject to the laws of this state relating to confidentiality of information, contract with institutions of higher education in this state or other entities to perform its duties as set forth in this subsection.

C. For the purpose of providing an annual forecast of gross production tax revenues from the production of natural and casinghead gas to the Office of State Finance, the Tax Commission shall subscribe to appropriate reference materials which provide economic outlook of future gas prices that have most closely followed the historical trend of Oklahoma gas prices. To determine the average differential between the published forecasted prices and Oklahoma gas prices, the Tax Commission shall compare prices in at least twenty-four (24) of the immediate thirty-six (36) previous months of production. The Tax Commission shall utilize the procedures provided herein to forecast the collection of gross production tax revenues from the production of natural and casinghead gas for the fiscal year beginning July 1, 2005, and each fiscal year thereafter.

SECTION 2. This act shall become effective November 1, 2006.

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