

SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION BY SENATE

FLOOR AMENDMENT

No. _____

(Date)

Mr./Madame President:

I move to amend Senate Bill No. 2024, by striking the title, enacting clause and entire body of the bill and substituting the attached floor substitute.

Submitted by:

Senator Mazzei

Mazzei-JCR-FS-SB2024

2/27/2008 3:31 PM

STATE OF OKLAHOMA

2nd Session of the 51st Legislature (2008)

FLOOR SUBSTITUTE
FOR
SENATE BILL NO. 2024

By: Mazzei

FLOOR SUBSTITUTE

[tax incentives - requiring review of certain tax incentives - effective date]

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

SECTION 1. AMENDATORY Section 1, Chapter 303, O.S.L. 2004 (68 O.S. Supp. 2007, Section 205.4), is amended to read as follows:

Section 205.4 A. The Legislature hereby finds that a system to quantify the costs and benefits of existing tax incentives is necessary to determine the achievement of desired objectives in fiscal policy. This system must include a regular and comprehensive review of provisions of state tax incentives. For purposes of this section, "tax incentive" shall include special exclusions, credits, exemptions, or deductions that are not a part of the essential structure of the tax in question and are designed to reduce the tax liability for a special project, entity or individual. A tax incentive shall also include any provision of law that provides direct payment incentives and other measures designed to entice businesses to locate or expand in Oklahoma.

B. There is hereby created an Incentive Review Committee, which shall consist of nine (9) members, three each to be appointed by the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Each member shall serve a four-year term and can be

reappointed up to three times. The Oklahoma Tax Commission and the Oklahoma Department of Commerce shall provide the staffing needs of the Committee. The Committee shall ~~annually~~:

1. Annually conduct a review of existing tax incentives in an individual tax code and may conduct an in-depth review of the cost and benefits of selected tax incentives; and

2. Beginning during calendar year 2009, conduct an in-depth review of the costs and benefits of tax incentives listed in this section according to the schedule set forth in subsection D of this section.

Committee review reports shall be submitted to the Governor, ~~Speaker~~ each member of the House of Representatives and ~~the President Pro Tempore~~ each member of the Senate in the form of a recommendation that a specific tax incentive should be either:

- a. eliminated because the costs outweigh the benefits,
- b. retained because the benefits outweigh the costs, or
- c. modified and subsequently reviewed. ~~This review~~

C. These reviews shall include:

1. An identification of the purpose of the tax incentive;
2. A determination of whether the potential revenue impact on the state can be quantified and if so, an estimate of the potential revenue impact on the state;
3. A determination of whether the economic gain to the state can be quantified and if so, an estimate of the economic gain measured in jobs, wages, investments, or other economic criteria;
4. An estimate of the effect on the distribution of the tax burden;
5. An estimate of the number of taxpayers receiving the benefit;
6. A determination of the growth potential of the industry eligible to claim the incentive;
7. A determination of the effectiveness in achieving the desired objective;
8. A determination of whether the tax incentive is the most fiscally effective means of achieving its stated purpose;

9. An analysis of the costs and burdens of administration;

10. An analysis of the competitive position of Oklahoma relative to other states with similar incentives;

11. A determination of the effectiveness of evoking a change in taxpayer behavior; and

12. A public hearing, at which persons receiving the incentives reviewed, or other interested parties, may testify.

Nothing in this section shall preclude the Committee from reviewing incentives outside the tax code selected for the annual review.

D. 1. The Incentive Review Committee shall conduct a review of tax incentives, as provided in this section, according to the schedule provided in this subsection.

During calendar year 2009, incentives codified on the effective date of this act as follows:

Section 17 of Title 8 of the Oklahoma Statutes

Section 2724.1 of Title 36 of the Oklahoma Statutes

Paragraph 1 of Section 1354 of Title 68 of the Oklahoma Statutes

Paragraphs 11, 20, 28, 43, 52, 60 and 68 of Section 1356 of Title 68 of the Oklahoma Statutes

Paragraphs 7, 16, 24 and 32 of Section 1357 of Title 68 of the Oklahoma Statutes

Section 1357.7 of Title 68 of the Oklahoma Statutes

Paragraph 6 of Section 1358 of Title 68 of the Oklahoma Statutes

Paragraphs 6 and 14 of Section 1359 of Title 68 of the Oklahoma Statutes

Paragraph 2 of subsection D of Section 2357 of Title 68 of the Oklahoma Statutes

Section 2357.31 of Title 68 of the Oklahoma Statutes

Section 2357.102 of Title 68 of the Oklahoma Statutes

Subsection C and paragraph 18 of subsection E of Section 2358 of Title 68 of the Oklahoma Statutes

Section 5075 of Title 74 of the Oklahoma Statutes

During calendar year 2010, incentives codified on the effective date of this act as follows:

Subsection A of Section 2-11-303 of Title 27A of the Oklahoma Statutes

Subsection B of Section 6150 of Title 36 of the Oklahoma Statutes

Paragraph 2 of Section 1354 of Title 68 of the Oklahoma Statutes

Paragraphs 12, 21, 29, 44, 53, 61 and 69 of Section 1356 of Title 68 of the Oklahoma Statutes

Paragraphs 8, 17, 25 and 33 of Section 1357 of Title 68 of the Oklahoma Statutes

Section 1357.9 of Title 68 of the Oklahoma Statutes

Paragraph 7 of Section 1358 of Title 68 of the Oklahoma Statutes

Paragraphs 7 and 15 of Section 1359 of Title 68 of the Oklahoma Statutes

Subsections A and B of Section 2357.4 of Title 68 of the Oklahoma Statutes

Subsection D of Section 2357.11 of Title 68 of the Oklahoma Statutes

Section 2357.32A of Title 68 of the Oklahoma Statutes

Section 2357.203 of Title 68 of the Oklahoma Statutes

Subsections D and F of Section 2358 of Title 68 of the Oklahoma Statutes

Section 5078 of Title 74 of the Oklahoma Statutes

During calendar year 2011, incentives codified on the effective date of this act as follows:

Section 2017 of Title 36 of the Oklahoma Statutes

Subsection D of Section 6606 of Title 36 of the Oklahoma Statutes

Paragraph 3 of Section 1354 of Title 68 of the Oklahoma Statutes

Paragraphs 13, 22, 32, 45, 54, 62 and 70 of Section 1356 of Title 68 of the Oklahoma Statutes

Paragraphs 9, 18, 26 and 35 of Section 1357 of Title 68 of the Oklahoma Statutes

Section 1357.10 of Title 68 of the Oklahoma Statutes

Paragraph 8 of Section 1358 of Title 68 of the Oklahoma Statutes

Paragraph 8 of Section 1359 of Title 68 of the Oklahoma Statutes

Section 1360 of Title 68 of the Oklahoma Statutes

Section 2357.6 of Title 68 of the Oklahoma Statutes

Section 2357.33 of Title 68 of the Oklahoma Statutes

Paragraph 3 of subsection A and paragraph 7 of subsection E of Section 2358 of Title 68 of the Oklahoma Statutes

Section 2358.3 of Title 68 of the Oklahoma Statutes

During calendar year 2012, incentives codified on the effective date of this act as follows:

Section 2040 of Title 36 of the Oklahoma Statutes

Section 163.3 of Title 37 of the Oklahoma Statutes

Paragraph 6 of Section 1354 of Title 68 of the Oklahoma Statutes

Paragraphs 14, 23, 33, 46, 55 and 63 of Section 1356 of Title 68 of the Oklahoma Statutes

Paragraphs 1, 10, 19, 27 and 36 of Section 1357 of Title 68 of the Oklahoma Statutes

Paragraph 1 of Section 1358 of Title 68 of the Oklahoma Statutes

Paragraph 1 of Section 1359 of Title 68 of the Oklahoma Statutes

Paragraph 9 of Section 1359 of Title 68 of the Oklahoma Statutes

Paragraph 6 of Section 1404 of Title 68 of the Oklahoma Statutes

Section 2357.13 of Title 68 of the Oklahoma Statutes

Section 2357.40 of Title 68 of the Oklahoma Statutes

Paragraph 6 of subsection A and paragraph 12 of subsection E of Section 2358 of Title 68 of the Oklahoma Statutes

Section 2358.4 of Title 68 of the Oklahoma Statutes

During calendar year 2013, incentives codified on the effective date of this act as follows:

Section 2617 of Title 36 of the Oklahoma Statutes

Subsection A of Section 690.4 of Title 62 of the Oklahoma Statutes

Paragraphs 6, 15, 24, 34, 35, 36, 37, 47, 56 and 64 of Section 1356 of Title 68 of the

Oklahoma Statutes

Paragraphs 2, 11, 20, 28 and 37 of Section 1357 of Title 68 of the Oklahoma Statutes

Paragraph 2 of Section 1358 of Title 68 of the Oklahoma Statutes

Paragraphs 2 and 10 of Section 1359 of Title 68 of the Oklahoma Statutes

Paragraph 7 of Section 1404 of Title 68 of the Oklahoma Statutes

Section 2357.24 of Title 68 of the Oklahoma Statutes

Section 2357.41 of Title 68 of the Oklahoma Statutes

Paragraph 7 of subsection A and paragraph 13 of subsection E of Section 2358 of Title 68 of the Oklahoma Statutes

Section 2358.7 of Title 68 of the Oklahoma Statutes

During calendar year 2014, incentives codified on the effective date of this act as follows:

Section 2665 of Title 36 of the Oklahoma Statutes

Paragraphs 7, 17, 25, 38, 48, 57 and 65 of Section 1356 of Title 68 of the Oklahoma Statutes

Paragraphs 4, 13, 21, 29 and 38 of Section 1357 of Title 68 of the Oklahoma Statutes

Paragraph 3 of Section 1358 of Title 68 of the Oklahoma Statutes

Paragraphs 3 and 11 of Section 1359 of Title 68 of the Oklahoma Statutes

Paragraph 8 of Section 1404 of Title 68 of the Oklahoma Statutes

Paragraph 10 of Section 2353 of Title 68 of the Oklahoma Statutes

Section 2357.26 of Title 68 of the Oklahoma Statutes

Section 2357.45 of Title 68 of the Oklahoma Statutes

Paragraph 8 of subsection A and paragraph 14 of subsection E of Section 2358 of Title 68 of the Oklahoma Statutes

Section 6014 of Title 70 of the Oklahoma Statutes

During calendar year 2015, incentives codified on the effective date of this act as follows:

Section 2685 of Title 36 of the Oklahoma Statutes

Paragraphs 8, 18, 26, 39, 50, 58 and 66 of Section 1356 of Title 68 of the Oklahoma Statutes

Paragraphs 5, 14, 22, 30 and 39 of Section 1357 of Title 68 of the Oklahoma Statutes

Paragraph 4 of Section 1358 of Title 68 of the Oklahoma Statutes

Paragraphs 4 and 12 of Section 1359 of Title 68 of the Oklahoma Statutes

Paragraph 2 of subsection B of Section 2357 of Title 68 of the Oklahoma Statutes

Section 2357.27 of Title 68 of the Oklahoma Statutes

Section 2357.81 of Title 68 of the Oklahoma Statutes

Paragraph 9 of subsection A and paragraph 16 of subsection E of Section 2358 of Title 68 of the Oklahoma Statutes

Section 54003 of Title 68 of the Oklahoma Statutes

Section 2106 of Title 74 of the Oklahoma Statutes

During calendar year 2016, incentives codified on the effective date of this act as follows:

Section 2691.15 of Title 36 of the Oklahoma Statutes

Paragraphs 9, 19, 27, 42, 51, 59 and 67 of Section 1356 of Title 68 of the Oklahoma Statutes

Paragraphs 6, 15, 23, 31 and 40 of Section 1357 of Title 68 of the Oklahoma Statutes

Paragraph 5 of Section 1358 of Title 68 of the Oklahoma Statutes

Paragraph 5 of Section 1359 of Title 68 of the Oklahoma Statutes

Paragraph 13 of Section 1359 of Title 68 of the Oklahoma Statutes

Paragraph 1 of subsection C of Section 2357 of Title 68 of the Oklahoma Statutes

Section 2357.30 of Title 68 of the Oklahoma Statutes

Section 2357.101 of Title 68 of the Oklahoma Statutes

Subsection B of Section 2358 of Title 68 of the Oklahoma Statutes

Paragraph 17 of subsection E of Section 2358 of Title 68 of the Oklahoma Statutes

Section 5064.7 of Title 74 of the Oklahoma Statutes

2. In addition, the Incentive Review Committee shall include in the calendar year 2016 review any incentives enacted into law after the effective date of this act and before January 1, 2016.

E. 1. The House Appropriations and Budget Committee and the Senate Finance Committee shall annually exercise consideration of the recommendations of the Incentive Review Committee pursuant to reviews required under subsection D of this section.

2. A quorum of the members of each committee shall vote to approve, disapprove or take no action on each recommendation of the Incentive Review Committee.

3. If both committees vote to approve a recommendation to eliminate a specific tax incentive, a member of the Legislature may introduce legislation to implement the recommendation.

SECTION 2. This act shall become effective January 1, 2009.