

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 1909
Version:	Proposed Subcommittee Substitute (Request No. 6681)
Author:	Representative Thomsen
Date:	February 18, 2009
Impact:	Bank-in-Lieu Tax Collections Decrease of \$2.6 Million

Bill Summary

Research Analyst: Jonathan S. Small II

The measure provides a tax credit, to be used against the state privilege tax (6%), for any state banking association, national banking association, or credit union originating in this state, for the amount of the lender fee paid to the US Department of Education (DOE) for the "Stafford" loan guaranty program. The loans must be given to Oklahoma residents who are attending colleges in Oklahoma, which are eligible to participate in the DOE's federal Family Education Loan Program (FFELP). The measure is effective January 1, 2009, and the credit can only be applied to lender fees paid on or after January 1, 2009, but not later than December 31, 2010.

Fiscal Summary

Fiscal Analyst: Diane Thomas

HB 1909 creates a credit that may be claimed against the bank-in-lieu tax for financial institutions that make loans under the Stafford Student Loan Program. The credit is the amount of the lender fees paid by the lending institution to the U. S. Dept. of Education. The credit is effective beginning in tax year 2009.

Fiscal Analysis

It is estimated that the lender fee credit will be approximately \$2.6 million. This is 2% of the \$132 million loan volume.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed by:

Mark Tygret

House Fiscal Director