

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.: SB 318
Version: Conference Committee Substitute
Author: Rep. Hickman & Sen. Mazzei
Date: May 20, 2009
Impact: FY10: \$49.450 Million Increased
Revenue & in Excess of \$58 Million Savings
By Decoupling from Federal Tax Modifications

Bill Summary

Fiscal Summary

Fiscal Analyst: Diane Thomas

Section 1 authorizes county decals for vehicle tags.

Sections 2 and 3 authorizes the disclosure of certain information by the Tax Commission (OTC), including a list of all persons who owe delinquent taxes, including interest, penalties and fees of more than \$25,000. The sections also direct OTC to post the list to the internet. OTC is also directed to update the listing on a quarterly basis. The sections also provide for written notice to the delinquent taxpayer 90 days before the listing is posted. The taxpayer will be removed from the list within 15 days after payment in full.

Section 4 amends OTC's mailing procedures.

Section 5 authorizes OTC to place certain delinquent accounts with a debt collection agency for a fee that does not exceed 35% (from 20%) of the amounts collected. The total amount of delinquent tax, accrued penalties and interest and the debt collection fee will be due and collected from the taxpayer.

Section 6 authorizes OTC to deposit certain amounts into the OTC/OSF Joint Computer Enhancement Fund.

Section 7 exempts rural irrigation districts, conservancy districts and master conservancy districts from motor fuel tax.

Section 8 extends an existing sales tax exemption for specified conservancy districts to subcontractors of such districts for construction projects.

Section 9 authorizes taxpayers to use investment tax credits that the taxpayer has already earned even after there is a change in corporate structure.

Section 10 provides that Oklahoma will decouple from the federal stimulus income tax package (American Recovery and Reinvestment Act of 2009) as it relates to the following:

- Expansion of net operating losses;
- Increase of small business expensing;
- Income tax deduction for motor vehicle excise tax paid in 2009; and
- Exemption for Unemployment benefits.

Section 11 provides that Oklahoma will decouple from the federal stimulus income tax package (American Recovery and Reinvestment Act of 2009) as it relates to bonus depreciation.

Section 12 provides that beginning March 1, 2010; certain employers (generally those with an annual income-tax withholding liability of \$8,250 or more) will remit payments to the State consistent with their federal requirement under the Federal Semiweekly Deposit Schedule.

Section 13 provides a waiver of the payroll requirement for certain entities relating to an ad valorem tax exemption.

Section 14 modifies the Oklahoma Film Enhancement Rebate Program beginning July 1, 2009, including expansion of the percentage of rebates of certain qualified expenses from 17% to 35% made to production companies. The section also lowers the minimum budget of a qualifying film.

Sections 15, 16 and 17 relates to the wine and grape industry in Oklahoma. The sections include:

- creating the Oklahoma Viticulture and Enology Center Development Revolving Fund;
- dedicates funding from the apportionment of certain excise tax on alcoholic beverages, not to exceed \$350,000.

The sections also provides the funding may be used to:

- Establish a Viticulture and Enology Center on an Oklahoma college campus;
- Develop viticulture and enology education programs;
- Develop technologies, strategies or practices that aid in grape and wine production; and
- Increase the positive economic impact of the Oklahoma wine industry.

Section 18 authorizes a study relating to state and local communications taxes.

Sections 19 and 20 exempts irrigation districts and conservancy districts from motor fuel excise taxes.

Section 21 provides a market equalization assessment payable by CompSource to the General Revenue Fund.

Fiscal Analysis

Section	Contents	Page	Effective Date	Fiscal Impact	
				FY10	FY11
1	Authorizes county decals for car tags	4	11/1/2009	0	0
2	OTC confidentiality - relates to Internet list	14	11/1/2009	0	0
3	Provides for Tax Commission to publish an Internet list of delinquent taxpayers with over \$25K for more than 90 days after appeal rights have expired	27	11/1/2009	\$6,800,000	
4	Amends Tax Commission mailing procedures	29	Emergency	0	0
5	Transfers costs of debt collection to delinquent taxpayers and increases maximum fee for collection from 20% to 35%	30	7/1/2009	\$10,350,000	
6	Authorizes OTC to deposit certain amounts into the OTC/OSF Joint Computer Enhancement Fund	33	7/1/2009	0	0
7	Exempts irrigation districts and conservancy districts from motor fuel tax	35	7/1/2009	0	0
8	Extends existing sales tax exemptions for specified conservancy districts to subcontractors of such districts for construction projects	39	7/1/2009	0	0
9	Authorizes taxpayer to use investment tax credits it has already earned even after change in corporate structure	72	1/1/2010	0	0
10	Decouples state tax law from the following federal Stimulus bill provisions:	78	Emergency	See Note*	
	Expansion of net operating loss			0	0
	Increase of small business expensing			0	0
	Deduction for motor vehicle excise payment			0	0
	Exemption for unemployment benefits			0	0
	Income tax exemption for amounts under \$600 awarded in livestock show			0	0
11	Decoupling of bonus depreciation provisions in federal Stimulus bill	137	Emergency	0	0
12	Modifies withholding tax reporting requirements to include all employers who are required to remit according to certain federal semiweekly schedule and requiring electronic filing to file and pay with the state on same dates.	139	11/1/2009	\$27,000,000	0
13	Provides waiver of payroll requirements relating to manufacturer's ad valorem exemption	143	Emergency	0	0
14	Increases rebate amount for film tax incentive	158	7/1/2009	0	Unknown
15	Intent language for OK wine industry - noncodified	164	7/1/2009	0	0
16	Creates revolving fund to encourage development of grape-growing / wine	164	7/1/2009	0	0

	industry center				
17	Dedicates up to \$350K in growth revenue from wine tax to new revolving fund	165	7/1/2010	0	Unknown
18	OTC study of state and local communications taxes	168	7/1/2009	0	0
19	Motor fuel tax exemption for irrigation districts	168	7/1/2009	0	0
20	Motor fuel tax exemption for conservancy districts	170	7/1/2009	0	0
21	CompSource market equalization assessment	170	1/1/2010	\$5,300,000	

* Sections 10 and 11 decouple state tax law from federal stimulus bill provisions. These sections provide an estimated savings in tax revenue in FY10 in excess of \$58 million.

Long Term Fiscal Considerations

As stated above.

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director