

BILL SUMMARY
1st Session of the 53rd Legislature

Bill No.:	SB 233
Version:	SUBPCS1
Request Number:	7268
Author:	Rep. Enns
Date:	3/31/2011
Impact:	Tax Commission:
	Change in Tobacco Tax Basis:
	Estimated Revenue Increase of \$8.0 Million

Income Tax Credit:

**Estimated Revenue Decrease (Cap)
of \$8.0 Million**

Research Analysis

The Proposed Committee Substitute for SB 233 provides for a legislative referendum to be filed, directing the measure to a vote of the people, in the event that the measure fails to receive $\frac{3}{4}$ approval in both chambers on final passage. The measure adds the definition of moist snuff to state statute and provides for a tax of \$1.20 per ounce of moist snuff. The bill also excludes moist snuff from the imposition of certain tax levies.

The Proposed Committee Substitute for SB 233 also establishes an income tax credit for donations made to a qualified nonprofit rural physician practice development entity, as defined. The measure provides the years in which the credit may be claimed, stipulates provisions for carrying the credit forward, and specifies the maximum amount of credits by may be claimed during any fiscal year. Within 30 days after the effective date of this measure, the Physician Manpower Training Commission is to designate a qualified nonprofit rural physician practice development entity as the primary point of contact for programs administered by the Commission. The Commission is then to work with the entity to promote and encourage recently licensed physicians to practice medicine in rural Oklahoma.

Prepared By: Alexandra Edwards

Fiscal Analysis

The modification of the method of taxation for moist snuff is expected to provide an estimated \$8.0 million in additional funds, to be apportioned through the statutory schedule, which includes fractional apportionment to the General Revenue Fund (16.54%) and the Education Reform Revolving Fund (2.07%).

The measure provides an income tax credit equal to one hundred percent (100%) of the cash amount donated by any person or business entity to a qualified nonprofit rural physician practice development entity. The total amount of credits allowed to be claimed during any fiscal year will not exceed \$8.0 million and may only be claimed against the portion of the tax which is apportioned to the General Revenue Fund (individual – 85.6%; corporate – 77.5%)

Prepared By: Mark Tygret

Other Considerations

None indicated.