

OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-THIRD OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 18, 2011

BILL NUMBER: SB 3 **STATUS AND DATE OF BILL:** Introduced 11/16/10

AUTHORS: House n/a Senate Mazzei

TAX TYPE (S): Income Tax **SUBJECT:** Credit

PROPOSAL: Amendatory

Senate Bill 3 proposes to amend the three income tax credits relating to aerospace engineers (68 O.S. § 2357.302 – 2357.304) by shortening the amount of time these incentives are under the tax credit moratorium.

EFFECTIVE DATE: July 1, 2011 - Emergency

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 12: Projected revenue decrease of \$5.9 million

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 12: None

_____ DATE	_____ DIVISION DIRECTOR	<u>mck</u>
_____ DATE	_____ REECE WOMACK, ECONOMIST	
_____ DATE	_____ FOR THE COMMISSION	

ATTACHMENT TO FISCAL IMPACT - SB 3 [Introduced] Prepared January 18, 2011

Senate Bill 3 proposes to amend the three income tax credits relating to aerospace engineers (68 O.S. § 2357.302 – 2357.304) by shortening the amount of time these incentives are under the tax credit moratorium.

Current Law:

Under current law, income tax credits are available to employers that hire aerospace engineers. One credit is available based on the amount of wages paid and another is available based on the amount of tuition that is reimbursed. There is also a credit for the engineer, which is a flat amount of five thousand dollars (\$5,000) per year for five (5) years. Under the provisions of SB 1267 enacted during the 2010 legislative session, these credits are not allowed to be generated during the period from July 1, 2010 through June 30, 2012.

Proposed Law:

This measure would allow the income tax credits that are available to employers that hire aerospace engineers as well as the credit for the engineer to be generated on or after July 1, 2011.

Fiscal Impact:

The estimate of the savings for FY12 based on the enactment of SB 1267 was \$5.9 million¹. It is anticipated that this amount of credit would be claimed if the moratorium is shortened.

¹ Oklahoma Tax Commission SB 1267 [Enrolled Version] Fiscal Impact Statement dated May 26, 2010.