

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 17, 2011

BILL NUMBER: SB 635 **STATUS AND DATE OF BILL:** Introduced 1/19/11

AUTHORS: House n/a Senate Sparks and Anderson

TAX TYPE (S): Gross Production **SUBJECT:** Apportionment

PROPOSAL: Amendatory Modifying apportionment of gross production revenues, providing for an amount to be apportioned to the Revenue Replacement Endowment Fund.

EFFECTIVE DATE: July 1, 2013.

REVENUE IMPACT:

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

FY 12: None.
FY 13: None.
FY 14: See attached analysis.

ADMINISTRATIVE IMPACT:

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

FY 11: None.

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

SENATE BILL 635
INTRODUCED 1/19/2011

Senate Bill 635 proposes an amendment to the apportionment of gross production revenues wherein five percent (5%) of gross production tax collected each month on both oil and natural gas would be apportioned to the Revenue Replacement Endowment Fund prior to any apportionment of revenue to designated funds.

This act is effective July 1, 2013, which is beyond the scope of the Tax Commission's forecast of gross production tax revenues. However, assuming the gross production tax revenues for Fiscal Year 2014 would be similar to the current forecast for Fiscal Year 2012, the estimated impact to apportioned gross production tax revenues for Fiscal Year 2014 would be as follows:

	<u>Oil</u>	<u>Natural Gas</u>
General Revenue	-\$16,780,000	-\$16,438,000
Returned to Counties For Hwys	-\$1,490,000	-\$1,546,000
School Districts	-\$1,490,000	-\$1,546,000
County Bridge & Road Fund	-\$890,000	
Revenue Replacement Endowment Fund	\$20,650,000	\$19,530,000