

BILL SUMMARY
1st Session of the 54th Legislature

Bill No.:	SB 341
Version:	FA5
Request Number:	NA
Author:	Rep. Reynolds
Date:	4/22/2013
Impact:	Tax Commission:
	Credits Claimed on 878 Returns
	Total Credits of \$22,679,000

Research Analysis

Not required.

Prepared By: Marcia Goff

Fiscal Analysis

The amendment repeals a nonrefundable income tax credit is allowed for either an investment in depreciable property used in a manufacturing or processing facility or for a net increase in average levels of employment in said facilities (68 O.S., Section 2357.4). The 2012 Tax Expenditure Report from the Tax Commission indicates a total of \$22,679,000 in credits claimed on 878 tax returns. While the annual amount of claims will vary and the credit can be carried forward, repeal of the credit will result in positive revenue to the state as claims are no longer available.

Under 62 O.S. §690.4 (Enterprise Zone Incentive and Initiative) the Oklahoma investment/new jobs credit (68 O.S. §2357.4) available to manufacturers and processors located in designated enterprise zones is increased. Estimate is not available for this particular part of the incentive since tax return source data does not differentiate between normal investment / new jobs credit and enterprise zone investment / new jobs credit.

An examination of OpenBooks.gov indicates, by tax year, claims of \$153.7 million in 2009, \$65.6 million in 2010 and \$1.77 million in 2011 (2012 return data are not yet available).

Prepared By: Mark Tygret

Other Considerations

None.