

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 22, 2013

BILL NUMBER: HB 1416 **STATUS AND DATE OF BILL:** Engrossed Bill 3/7/13

AUTHORS: House Hall Senate Mazzei

TAX TYPE (S): Quality Jobs **SUBJECT:** Other

PROPOSAL: Amendatory

HB 1416, which amends 68 O.S. § 3603 (Oklahoma Quality Jobs Program Act), provides that the net benefit rate will not exceed 6% or be less than 5% in connection with an establishment which employs United States military veterans in at least 10% of its gross payroll.

EFFECTIVE DATE: November 1, 2013

REVENUE IMPACT:

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

FY 14: Potential minimal decrease in revenue.

FY 15: Potential minimal decrease in revenue

ADMINISTRATIVE IMPACT:

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

FY 14: No additional cost or savings are anticipated

Mar. 25, 2013
DATE

Rick Miller
DIVISION DIRECTOR

mck

DATE

REECE WOMACK, ECONOMIST

3/20/13
DATE

Donna Cash
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - HB 1416 [Engrossed] Prepared March 22, 2013

HB 1416, which amends 68 O.S. § 3603 (Oklahoma Quality Jobs Program Act), provides that the net benefit rate will not exceed 6% or be less than 5% in connection with an establishment which employs United States military veterans in at least 10% of its gross payroll.

A potential minimal reduction in revenue is anticipated in FY14¹ as a result of this proposal.

¹ A review by the Oklahoma Department of Commerce resulted in the following: "In a fiscal review of the impact of HB1416 it is possible that a singular contract could have a calculated net benefit rate under the 5% floor; however, this outcome is not probable. Given the companies that hire veterans at that rate are mostly aerospace and defense and the skill sets of veterans acquired from service are in market demand, the wages for these respective jobs have historically and most commonly been at a level that would qualify for a net benefit rate above 5% but were capped by previous statute". Email from Deidre D. Myers, Director - Research, Economic Analysis & Policy – Oklahoma Department of Commerce. 3/21/13