

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 17, 2014

BILL NUMBER: SB1148 **STATUS AND DATE OF BILL:** Introduced 11/22/13

AUTHORS: House n/a Senate Mazzei

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

PROPOSAL: Amendatory

SB 1148 proposes to amend 68 O.S. § 2357.206 which relates to the Credit for Contributions to a Scholarship-Granting Organization and the Credit for Contributions to an Educational Improvement Grant Organization. This measure proposes to sunset this credit effective for tax years beginning on or after January 1, 2017.

EFFECTIVE DATE: November 1, 2014

REVENUE IMPACT:

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

FY 18: Projected revenue increase of \$135,000

ADMINISTRATIVE IMPACT:

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

FY 15: No additional costs or savings are expected as a result of this proposed legislation

Jan. 17, 2014
DATE

Rick Miller
DIVISION DIRECTOR

mck

1-21-2014
DATE

Reece Womack
REECE WOMACK, ECONOMIST

Jan 17, 2014
DATE

Don Cas
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 1148 [Introduced] Prepared January 17, 2014

SB 1148 proposes to amend 68 O.S. § 2357.206 which relates to the Credit for Contributions to a Scholarship-Granting Organization and the Credit for Contributions to an Educational Improvement Grant Organization. This measure proposes to sunset this credit effective for tax years beginning on or after January 1, 2017.

Under current law, a nonrefundable income tax credit is allowed in the amount of fifty percent (50%) of the amount donated to a Scholarship-Granting Organization or an Educational Improvement Grant Organization not to exceed One Thousand Dollars (\$1,000.00) for each taxpayer, Two Thousand Dollars (\$2,000.00) for married taxpayers filing jointly, and One Hundred Thousand Dollars (\$100,000.00) for corporate income tax filers. Contributions could be made beginning August 26, 2011; however, credits for contributions made in 2011, 2012 and 2013 cannot be claimed until tax year 2013 returns are filed.

In order to estimate the fiscal impact of this proposal, contribution data of qualified Scholarship-Granting Organizations and qualified Educational Improvement Grant Organizations from 2012 and 2013 was analyzed. An average of \$269,000 was contributed, which would generate \$135,000 in Oklahoma income tax credits. It is anticipated that similar levels of usage of this credit may occur in tax year 2017. As such, the estimated impact for tax year 2017 is an increase in income tax collections of \$135,000. No change to estimated tax or withholding is anticipated so the full impact should occur in FY18 when tax year 2017 income tax returns are filed.