

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 15, 2014

BILL NUMBER: SB1149 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 1149 proposes to amend 68 O.S. § 2357.45 which relates to the Credit for Biomedical Research Contribution and the Credit for Cancer Research Contribution. 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 \$721,000

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. 15, 2014
DATE

Rick Miller
DIVISION DIRECTOR mck

1-21-2014
DATE

Reece Womack
REECE WOMACK, ECONOMIST

1/21/14
DATE

Dan East
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 1149 [Introduced] Prepared January 15, 2014

SB 1149 proposes to amend 68 O.S. § 2357.45 which relates to the Credit for Biomedical Research Contribution and the Credit for Cancer Research Contribution. 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 for donations to a qualified independent biomedical research institute and donations to a qualified cancer research institute. The credit is fifty percent (50%) of the amount donated, not to exceed One Thousand Dollars (\$1,000.00).

In order to estimate the fiscal impact of this proposal, data from tax years 2009 through 2011 was analyzed¹. An average of \$721,000 was used to offset Oklahoma income tax annually. 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 \$721,000. 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.

¹ For the Credit for Cancer Research Contribution the only year of data was tax year 2011 since this was the first year the credit was available.