

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: SB1151 **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 1151 proposes to amend 68 O.S. § 2357.101 which relates to the Film or Music Project Reinvestment Credit. 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 \$16,000

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. 16, 2014
DATE

Rick Miller
DIVISION DIRECTOR

mck

1-21-2014
DATE

Reece Womack
REECE WOMACK, ECONOMIST

1/17/14
DATE

Dennis Cook
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 1151 [Introduced] Prepared January 15, 2014

SB 1151 proposes to amend 68 O.S. § 2357.101, which relates to the Film or Music Project Reinvestment Credit. This measure proposes to sunset this credit effective for tax years beginning on or after January 1, 2017.

Under current law, a production company is allowed a nonrefundable income tax credit of twenty-five percent (25%) of the profit from the investment in an existing Oklahoma film or music project produced after July 1, 2005, if the profit is reinvested to pay for production costs for a new Oklahoma film or music project.

In order to estimate the fiscal impact of this proposal, data from tax years 2008 through 2011 was analyzed. An average of \$16,000 was used to offset Oklahoma income tax annually. It is anticipated 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 \$16,000. 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.