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: SB1170 **STATUS AND DATE OF BILL:** Introduced 12/18/13

AUTHORS: House n/a Senate Mazzei

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

PROPOSAL: Amendatory

SB 1170 proposes to amend 68 O.S. § 2357.401 which relates to the Wire Transfer Fee 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 $348,000

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 — Rick Miller — mck
DATE — DIVISION DIRECTOR

1-21-2014 — Reece Womack
DATE — REECE WOMACK, ECONOMIST

Jan 17, 2014 — Dave Cash
DATE — FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 1170 [Introduced] Prepared January 15, 2014

SB 1170 proposes to amend 68 O.S. § 2357.401 which relates to the Wire Transfer Fee Credit. This measure proposes to sunset this credit effective for tax years beginning on or after January 1, 2017.

Under current law, taxpayers who are subject to the electronic funds transfer fees under 63 O.S. § 2-503-1j are eligible to claim a nonrefundable dollar for dollar income tax credit based on those fees, with the unused credit allowed to be carried forward for five (5) years.

In order to estimate the fiscal impact of this proposal, data from tax years 2010 and 2011 was analyzed. An average of $348,000 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 $348,000. 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.