

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 6, 2014

BILL NUMBER: SB 1227 STATUS AND DATE OF BILL: Introduced 1/3/14

AUTHORS: House n/a Senate Mazzei

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 1227 proposes to amend 68 O.S. §§ 2357.301-304 (Credit for Employees in Aerospace Sector and the Credit for Employers in Aerospace Sector) by adding clarifying language relating to an Internal Revenue Service form number, amending the definition of a qualified employee and extending the sunset date to January 1, 2018.

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 15: Minimal decrease in income tax collections

ADMINISTRATIVE IMPACT:

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

FY 15: No additional cost or savings are anticipated as a result of this proposed legislation

Feb. 6, 2014
DATE

Rick Miller
DIVISION DIRECTOR

mck

DATE

REECE WOMACK, ECONOMIST

4/1/14
DATE

[Signature]
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB1227 [Introduced] Prepared February 6, 2014

SB 1227 proposes to amend 68 O.S. §§ 2357.301-304 (Credit for Employees in Aerospace Sector and the Credit for Employers in Aerospace Sector) by adding clarifying language relating to an Internal Revenue Service form number, extending the sunset date to January 1, 2018, and expanding the definition of a qualified employee to include employees who worked in the Oklahoma aerospace sector, but not as an engineer, immediately preceding their employment in the aerospace sector.

This proposal would allow former employees that worked in the aerospace sector (but not as engineers) to be eligible as a qualified employee for the three (3) income tax credits relating to aerospace engineers.¹

There is no additional fiscal impact due to extending the sunset date through tax year 2017. Amending the definition of a qualified employee to include engineers who previously worked for a qualified employer (but not as an engineer) would have a minimal fiscal impact, which would occur in FY15 when the 2014 income tax returns are filed.

¹ Under current law, two (2) income tax credits are available to employers based on the amount of wages paid to a qualified employee and the amount of tuition that is reimbursed to a qualified employee. There is also an income tax credit for the engineer-employee in the amount of Five Thousand Dollars (\$5,000) per year for five (5) years.