

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 28, 2013 REVISED

BILL NUMBER: SB 645 STATUS AND DATE OF BILL: Introduced 01/16/2013

AUTHORS: House n/a Senate Schultz

TAX TYPE (S): Aircraft SUBJECT: Exemption

PROPOSAL: Amendatory 68 O.S. § 6003

This measure provides an aircraft excise tax exemption for aircraft which is purchased to be used exclusively for the purpose of training relating to rotary-wing aircraft.

EFFECTIVE DATE: November 1, 2013

REVENUE IMPACT:

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

FY 14: \$1,055,000 decrease in aircraft excise taxes
FY 15: \$535,000 decrease in aircraft excise taxes

ADMINISTRATIVE IMPACT:

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

FY 14: None

Feb. 28, 2013
DATE

Rick Miller
DIVISION DIRECTOR

msm

2-28-2013
DATE

Reece Womack
REECE WOMACK, ECONOMIST

3/4/13
DATE

[Signature]
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT SB 645 [Introduced-Revised] Prepared 02/28/2013

This measure provides an aircraft excise tax exemption for aircraft which is purchased to be used exclusively for the purpose of training relating to rotary-wing aircraft.

Secondary sources indicate that one helicopter training school is expected to open in 2013 and industry sources indicate the value of the helicopters that will be used for training at this facility is estimated to be \$16,000,000 each with two (2) helicopters initially being provided at the facility with the prospect of another six (6) over the next ten (10) years.

For purposes of this impact, it is assumed that the referenced helicopters will be purchased after November 1, 2012 and there will be an additional helicopters purchased after July 01, 2014 and another five helicopters purchased over the the next eight years.

Additionally, research indicates that there are at least five certified flight instructors that provide helicopter training in the state of Oklahoma and the value of the helicopters is estimated at \$2,275,000. For purposes of this impact, it is assumed that one of these instructors will acquire a new or used helicopter every year. Dividing the estimated value of these helicopters by 5 yields an annual \$455,000 helicopter purchase per year.

Multiplying the combined helicopter purchases of \$32,455,000 by the excise tax rate of 3.25% results in an estimated decrease of \$1,054,788 in aircraft excise taxes for FY 14 and an estimated decrease of \$534,788 for FY 15.