

**BILL SUMMARY**  
1<sup>st</sup> Session of the 55<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 82</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Sears</b>
<b>Date:</b>	<b>3/31/2015</b>
<b>Impact:</b>	<b>Sunset of Incentive:</b>
	<b>Revenue Increase Potential in FY-19</b>
	<b>Current FY-19 Estimate: \$6,431,000</b>

**Research Analysis**

Current law provides a tax credit for qualified rehabilitation expenditures incurred in connection with a certified historic hotel or historic newspaper plant building located in an increment or incentive (TIF) district. The measure would sunset this credit on July 1, 2018 unless reauthorized by the Legislature.

Prepared By: Quyen Do

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**Fiscal Analysis**

From the Tax Commission:

Under current law, qualified rehabilitation expenditures incurred in connection with a certified historic structure are eligible for a nonrefundable, transferable income tax credit or credit against the insurance premium tax.

In order to estimate the *potential* fiscal impact of this proposal, income data from tax years 2008 through 2012 was analyzed. An average of \$447,000 was used to offset Oklahoma income tax annually. Further, for FY10 through FY13 an average of \$6,431,000 of this credit was claimed against the insurance premium tax<sup>3</sup>. No change to estimated tax payments or withholding is anticipated so the full income tax impact (\$447,000) *could potentially occur* in FY19 when tax year 2018 income tax returns are filed and it is anticipated that an increase in insurance premium tax collections (\$6,431,000) will occur as well – should the legislature not reauthorize this credit.

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**Other Considerations**

None.

