OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 3, 2016

BILL NUMBER: SB 1103 **STATUS AND DATE OF BILL:** Introduced 01/19/2016

AUTHORS: House n/a Senate Fields

TAX TYPE (S): Cigarette **SUBJECT:** Apportionment

PROPOSAL: Amendatory

The measure proposes to modify Section 302-5 of Title 68 relating to the cigarette tax apportionment of revenues attributable to the $0.80 per pack rate for fiscal years beginning July 1, 2016, by capping the amount of cigarette tax collections apportioned to specified funds at the total amount apportioned for FY 13 with any excess revenues to be deposited to the General Revenue Fund.

EFFECTIVE DATE: July 1, 2016 - Emergency

REVENUE IMPACT:

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

FY 17: None
FY 18: None

ADMINISTRATIVE IMPACT:

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

FY 17: None

Feb. 3, 2016 — Rick Miller — cjc
DATE — DIVISION DIRECTOR

2-3-16 — Reece Womack
DATE — REECE WOMACK, ECONOMIST

2/4/16 — Dan Cash
DATE — FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT-SB 1103-[Introduced]-Prepared February 3, 2016.

The measure proposes to modify Section 302-5 of Title 68 relating to the cigarette tax apportionment of revenues attributable to the $0.80 per pack rate for fiscal years beginning July 1, 2016, by capping the amount of cigarette tax collections apportioned to specified funds at the total amount apportioned for FY 13 with any excess revenues to be deposited to the General Revenue Fund. The capped funds include the Health Employee and Economy Improvement Act Revolving Fund, the Oklahoma Health Care Authority Medicaid Program Fund, the Department of Mental Health and Substance Abuse Services Revolving Fund, Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund, the Tobacco Prevention and Cessation Revolving Fund and cities and counties which levy a sales tax.

Pursuant to the Oklahoma Tax Commission Revenue Forecast[1], the state will collect an estimated $144,238,000 in cigarette tax revenues attributable to the new cigarette rate [$0.80] per pack] in FY 17. FY 13 collections related to the new cigarette tax rate totaled $154,866,272. There has been no change in the applicable apportionment percentages relating to the specific funds for the periods at issue. Therefore, since the projected FY 17 collections are less than the FY 13 collections, no revenue impact is estimated to occur as a result of this measure.

[1] Oklahoma Tax Commission – Revenue Forecast for FY 17 issued December 15, 2015.