OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: May 11, 2016

BILL NUMBER: SB 1605 **STATUS AND DATE OF BILL:** Introduced 5/11/16

AUTHORS: House Sears & Casey Senate Jolley & Treat

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

PROPOSAL: Amendatory

SB 1605 proposes to amend 68 O.S. § 2357.27 which relates to the Credit for Child Care Service Providers. This measure proposes to not allow this credit for tax years beginning on or after January 1, 2016.

EFFECTIVE DATE: November 1, 2016

REVENUE IMPACT:

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

FY 17: Projected increase in income tax collections of $129,000.

ADMINISTRATIVE IMPACT:

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

FY 17: No additional cost or savings to the Tax Commission are anticipated due to this proposed legislation.

May 11, 2016 — DATE
Rick Miller — DIVISION DIRECTOR
mck

DATE — REECE WOMACK, ECONOMIST

5/11/16 — DATE
Tony Mitt — FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT – SB 1605 [Introduced] Prepared May 11, 2016

SB 1605 proposes to amend 68 O.S. § 2357.27 which relates to the Credit for Child Care Service Providers. This measure proposes to not allow this credit for tax years beginning on or after January 1, 2016.

Under current law an income tax credit is available for twenty percent (20%) of eligible expenses incurred by entities primarily engaged in the business of providing child care services. This credit is non-refundable. Any unused credit may be carried over for a period of four (4) years.

This measure proposes to eliminate the credit effective for tax year 2016.

The impact is an estimated increase of $129,000 in income tax collections in FY17.