

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 30, 2015

BILL NUMBER: SB 185 **STATUS AND DATE OF BILL:** Introduced 01/13/2015

AUTHORS: House n/a Senate Barrington

TAX TYPE (S): Vehicle Registration **SUBJECT:** Administrative

PROPOSAL: Amendatory

The measure proposes to require the OTC to waive delinquent registration penalties for motor vehicles at least 8 model years old which have not been operated on public streets or highways in this state for a continuous twenty-four month time period. An affidavit of nonuse must be provided for the subject vehicle in order for the delinquent penalties to be waived.

EFFECTIVE DATE: November 1, 2015

REVENUE IMPACT:

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

FY 16: \$1,131,000 decrease in motor vehicle collections

FY 17: \$1,697,000 decrease in motor vehicle collections

ADMINISTRATIVE IMPACT:

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

FY 16: None

Jan. 30, 2015
DATE

Rick Miller
DIVISION DIRECTOR

msm

2-2-15
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/4/15
DATE

Don Cook
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT – SB 185 – [Introduced] – Prepared January 30, 2015.

The measure proposes to require the OTC to waive delinquent registration penalties for motor vehicles at least 8 model years old which have not been operated on public streets or highways in this state for a continuous twenty-four month time period. An affidavit of nonuse must be provided for the subject vehicle in order for the delinquent penalties to be waived.

A comparison of registration penalties assessed for FY 12, the last year penalty waivers were permitted and FY 13 when waivers were initially prohibited results in an increase in delinquent registration penalties collected for FY 13 in the amount of \$3,393,006. For purposes of this impact it is assumed that 50% of these collections are related to vehicles 8 models years and older meeting the 24 consecutive month nonuse requirement. Therefore, assuming similar delinquent registration penalty transactions for FY 16 yields a decrease in motor vehicle collections in the amount of \$1,696,503.

This measure proposes an effective date of November 1, 2015. The FY 16 estimated decrease in motor vehicle collections is \$1,131,002 $[(\$1,696,503/12 \text{ months}) \times 8 \text{ months}]$ for FY 2016. For FY 17, the estimated decrease in motor vehicle collections is \$1,696,503.