

**OKLAHOMA TAX COMMISSION**

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

DATE OF IMPACT STATEMENT: January 29, 2015

BILL NUMBER: SB 334 STATUS AND DATE OF BILL: Introduced 1/21/15

AUTHORS: House n/a Senate Sharp

TAX TYPE (S): Income Tax SUBJECT: Deduction

PROPOSAL: Amendatory

SB 334 proposes to amend 68 O.S. § 2358 (E) by allowing an Oklahoma income tax deduction for individual taxpayers for their expenditures incurred for the successful completion of Oklahoma Motorcycle Safety Foundation education courses approved by the Department of Public Safety. This deduction is available for tax year 2016 and subsequent tax years.

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: -0-

FY 17: Decrease in income tax collection of \$13,000

ADMINISTRATIVE IMPACT:

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

FY 16: No additional cost or savings to the Tax Commission due to this proposed legislation.

Jan. 30, 2015  
DATE

Rick Miller  
DIVISION DIRECTOR

mck

1-30-15  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

1/30/15  
DATE

[Signature]  
FOR THE COMMISSION

## ATTACHMENT TO FISCAL IMPACT - SB 334 [Introduced] Prepared January 29, 2015

SB 334 proposes to amend 68 O.S. § 2358 (E) by allowing an Oklahoma income tax deduction for individual taxpayers for their expenditures incurred for the successful completion of Oklahoma Motorcycle Safety Foundation education courses approved by the Department of Public Safety. This deduction is available for tax year 2016 and subsequent tax years.

Under current Oklahoma law, no Oklahoma income tax deduction is available for individual taxpayers for their expenditures incurred for the successful completion of Oklahoma Motorcycle Safety Foundation education courses.

Data relating to the number of persons successfully completing Oklahoma Motorcycle Safety Foundation education courses approved by the Department of Public Safety is not readily available<sup>1</sup>. For purposes of estimating the fiscal impact, it is assumed that most, if not all persons, completing Oklahoma Motorcycle Safety Foundation education courses are those who have a new motorcycle endorsement on their Oklahoma driver license. Based on 2012 data from the Oklahoma Department of Public Safety, motorcycle endorsements increased by approximately 4,300 in 2012 compared to 2011<sup>2</sup>. A review of entities offering motorcycle education courses indicates that the cost of these type of courses range from free up to \$190.00<sup>3</sup>. For purposes of this analysis, it is assumed the average cost is \$100.00. The table below shows the estimated fiscal impact:

Estimated number of persons taking course:	4,300
Average deduction	\$100.00
Estimated amount deducted	\$430,000
Average Tax Rate	3.05%
Estimated Fiscal Impact	\$13,115

No changes to withholding or estimated tax payments are expected so the full impact should occur in FY17 when the 2016 income tax returns are filed.

<sup>1</sup> Email correspondence with Captain Randy Rogers Legislative Liaison, Department of Public Safety - Oklahoma Highway Patrol 1/16/15.

<sup>2</sup> Oklahoma Highway Safety Office *Motorcycle Fact Sheets* [http://ok.gov/ohso/documents/FS2013\\_Motorcycle.pdf](http://ok.gov/ohso/documents/FS2013_Motorcycle.pdf)

<sup>3</sup> The Oklahoma Highway Patrol and Tulsa Police offer free courses; Southern Oklahoma Technology Center offers a Motorcycle Safety Basic Rider Course for \$125 and OSU/OKC offers a Basic Rider Course for \$190 and Basic Rider Course 2 for \$85.