

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 23, 2015

BILL NUMBER: SB 84 STATUS AND DATE OF BILL: Introduced 12/29/14

AUTHORS: House n/a Senate Mazzei

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 84 proposes to amend 68 O.S. § 2357.45, which relates to the Credit for Biomedical Research Contributions and the Credit for Cancer Research Contributions. This measure proposes to sunset these credits effective for tax years beginning on or after January 1, 2019, unless reauthorized by the legislature after reviewing a report required under 74 O.S. § 5017 (14).

EFFECTIVE DATE: August 28, 2015¹

REVENUE IMPACT:

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

FY 20: Potential revenue increase of \$760,000.

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 are anticipated due to this proposed legislation.

Jan. 26, 2015
DATE

Rick Miller
DIVISION DIRECTOR

mck

1-26-15
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/1/15
DATE

[Signature]
FOR THE COMMISSION

¹ This assumes the legislature adjourns Sine die on May 29, 2015 since this measure has no effective date.

ATTACHMENT TO FISCAL IMPACT - SB 84 [Introduced] Prepared January 23, 2015

SB 84 proposes to amend 68 O.S. § 2357.45, which relates to the Credit for Biomedical Research Contributions and the Credit for Cancer Research Contributions. This measure proposes to sunset these credits effective for tax years beginning on or after January 1, 2019, unless reauthorized by the legislature after reviewing a report required under 74 O.S. § 5017 (14)².

Under current law, donations made to qualified independent biomedical research institutes or qualified cancer research institutes are eligible for a nonrefundable income tax credit.

In order to estimate the *potential* fiscal impact of this proposal, income tax data from tax years 2009 through 2012³ was analyzed. An average of \$455,000 of Credits for Biomedical Research Contributions were used to offset Oklahoma income tax annually and an average of \$305,000 of Credits for Cancer Research Contributions were used to offset Oklahoma income tax annually. The average annual total income tax offset by these two credits equals \$760,000. No change to estimated tax or withholding is anticipated so the full impact *could potentially occur* in FY20 when tax year 2019 income tax returns are filed – should the legislature not reauthorize this credit.

² The report required under 74 O.S. § 5017 (14) is proposed in SB 72 introduced in the 2015 Legislative session. This measure (SB 84) cannot become effective as law unless SB 72 becomes effective as law.

³ For the Credit for Cancer Research Contributions, only data from tax year 2011 and 2012 was analyzed since this credit was first available in tax year 2011.