

**OKLAHOMA TAX COMMISSION**

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

**DATE OF IMPACT STATEMENT:** January 29, 2016

**BILL NUMBER:** SB 921 **STATUS AND DATE OF BILL:** Introduced 12/17/15

**AUTHORS:** House n/a Senate Mazzei & Quinn

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

**PROPOSAL:** Amendatory

SB 921 proposes to amend 68 O.S. § 2906 which relates to the Oklahoma Low Income Property Tax Credit. This measure proposes to not allow this credit for tax years beginning on or after January 1, 2018 unless the Oklahoma Legislature reauthorizes the credit after evaluation by the Incentive Evaluation Commission pursuant to O.S. 62 § 7004.

**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: -0-  
FY 18: -0-

**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.

<u>Jan. 29, 2016</u> DATE	<u>Rick Miller</u> DIVISION DIRECTOR	<u>mck</u>
<u>1-29-16</u> DATE	<u>Reece Womack</u> REECE WOMACK, ECONOMIST	
<u>1/29/16</u> DATE	<u>Dan Cook</u> FOR THE COMMISSION	

**ATTACHMENT TO FISCAL IMPACT – SB 921 [Introduced] Prepared January 29, 2016**

SB 921 proposes to amend 68 O.S. § 2906 which relates to the Oklahoma Low Income Property Tax Credit. This measure proposes to not allow this credit for tax years beginning on or after January 1, 2018 unless the Oklahoma Legislature reauthorizes the credit after evaluation by the Incentive Evaluation Commission pursuant to O.S. 62 § 7004.

Under current law the Oklahoma Low Income Property Tax Credit is allowed for any person sixty-five (65) years of age or older or any totally disabled person who is the head of household, a resident of and domiciled in this state during the entire calendar year and whose gross household income for such year does not exceed twelve thousand dollars (\$12,000).

The amount of the credit is the amount of the property taxes paid by the claimant for the preceding calendar year which exceeds one percent (1%) of the total household income, but no claim for property tax relief shall exceed two hundred dollars (\$200). This is a refundable tax credit with no carryover provisions.

There is no impact to income tax collections in FY17 or FY18 as a result of this measure. In order to estimate the *potential* fiscal impact of this proposal, preliminary data for tax year 2014 was analyzed. Based upon the preliminary data \$73,000 was used to either offset Oklahoma income tax or claimed as a refundable credit for tax year 2014. No change to estimated tax or withholding is anticipated so the full impact *could potentially occur* in FY19 when tax year 2018 income tax returns are filed; should the legislature not reauthorize this credit.