

BILL SUMMARY
1st Session of the 55th Legislature

Bill No.:	HB 1747
Version:	INT
Request Number:	6592
Author:	Rep. Newell
Date:	2/10/2015
Impact:	Tax Commission:
FY 16: Unknown decrease in income tax collections.	
FY 17: Unknown decrease in income tax collections.	

Research Analysis

HB1747, as introduced, exempts 100 percent of taxable income received, for a period of five years, for any individual that relocates from another state or jurisdiction to a county within Oklahoma that is projected to experience decline in its population between calendar years 2016 through 2075. The counties projected to have a decline in population were identified in a publication entitled “2012 Demographic State of the State Report – Oklahoma State and County Population Projections through 2075” and are illustrated in the map below.



HB 1747
Data source: Oklahoma Department of Commerce
45-057772D

Prepared By: Quyen Do

Fiscal Analysis

Tax Commission analysis indicates there may be a negative revenue impact resulting from the provisions of the exemption. Those persons eligible, however, are those who qualify by establishing residency in a county with projected decline in population who was a resident of any other state or other jurisdiction. It may be difficult to determine whether any in migration can be reliably measured.

The Department of Commerce publication, "2012 Demographic State of the State report, Oklahoma State and County Population Projections Through 2075" indicates twenty-five (25) counties are projected to experience population reductions by 2075:

Counties forecast to experience population decline between 2010 and 2075

Alfalfa	Kiowa
Cotton	Tillman
Greer	Choctaw
Jefferson	Ellis
Roger Mills	Hughes
Beaver	Major
Craig	Washita
Harmon	Cimarron
Kay	Grant
Seminole	Jackson
Blaine	Nowata
Dewey	Woods
Harper	

Tax Commission analysis includes:

HB 1747 proposes to amend 68 O.S. § 2358 (E) by enacting an income tax exemption for any taxpayer who, prior to establishing residency in Oklahoma, was a resident of any other state or other jurisdiction and who becomes a resident of any county within the state which has been projected to have a decline in its population between January 1, 2016 and December 31, 2075. The exemption is for tax year 2016 and subsequent tax years. The exemption is limited to five (5) years per taxpayer¹.

Under current law, no exemption from income exists based on a taxpayer's county of residence.

This measure proposes to amend 68 O.S. § 2358 (E) by enacting an income tax exemption for any taxpayer who, prior to establishing residency in Oklahoma, was a resident of any other state or other jurisdiction and who becomes a resident of any county within the state which has been projected to have a decline in its population between January 1, 2016 and December 31, 2075, based on a publication released by the Oklahoma Department of Commerce entitled, "2012 Demographic State of the State Report - Oklahoma State and County Population Projections through 2075".

According to this publication, there are 25 counties in Oklahoma expected to experience population decline over the next 65 years. Many of these counties are in western Oklahoma. Although migration is difficult to gauge, this report estimates Oklahoma's average annual net migration gain is approximately 15,000. It is unknown how many of these 15,000 will become a resident of one of the 25 counties expected to experience a decline in population.

Data is not available as to the number of people that migrate based on point of origin or county. As such, it is difficult to estimate the fiscal impact of exempting this income. It is believed this measure will have an unknown negative fiscal impact for tax year 2016.

Prepared By: Mark Tygret

Other Considerations

None.

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