

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: May 3, 2016

BILL NUMBER: SB 1577 STATUS AND DATE OF BILL: Introduced 05/02/2016

AUTHORS: House Hickman Senate Bingman

TAX TYPE (S): Gross Production SUBJECT: Rebate

PROPOSAL: Amendatory

SB 1577 proposes to amend 68 O.S. § 1001.3a by providing that gross production tax exemptions claimed under the provisions of this section shall be limited to production from calendar year 2014; provided, no claims for refunds shall be paid on or after December 31, 2016 for any subsequent calendar year.

EFFECTIVE DATE: Emergency – July 1, 2016

REVENUE IMPACT:

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

FY 17: An estimated increase of \$132,900,000 to various funds.
[See attached for detailed analysis.]

ADMINISTRATIVE IMPACT:

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

FY 17: None

May 3, 2016
DATE

Rich Miller
DIVISION DIRECTOR

mjh:mel

5-3-16
DATE

Reece Womack
REECE WOMACK, ECONOMIST

5/3/16
DATE

Don Carr
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT SB 1577-[Introduced] Prepared 05/03/2016

SB 1577 proposes to amend 68 O.S. § 1001.3a by providing that gross production tax exemptions claimed under the provisions of this section shall be limited to production from calendar year 2014; provided, no claims for refunds shall be paid on or after December 31, 2016 for any subsequent calendar year.

Estimated Revenue Impact for FY 17:

\$57,147,000 increase to the General Revenue Fund.¹

\$22,729,688 increase to the Common Education Technology Revolving Fund.

\$22,729,688 increase to the Higher Education Capital Revolving Fund.

\$22,729,688 increase to the Oklahoma Student Aide Revolving Fund.

\$ 3,309,649 increase to County Bridge and Road Improvement Fund.

\$ 3,782,347 increase to Oklahoma Water Resources Board REAP Water Projects Fund.²

\$ 471,940 increase to Statewide Circuit Engineering District Revolving Fund.

Estimated Net Revenue Impact for FY 17: \$132,900,000.

¹ This number represents the amount from economically at-risk claims for natural gas leases that will impact General Revenue. Based on the revenue forecast for FY 17, it is not anticipated that the \$150 Million apportionment cap for oil will be met. Therefore, no revenues associated with economically at-risk claims for oil leases will impact General Revenue.

² Rural Economic Action Plan