

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB1033XX
Version:	FULLPCS1
Request Number:	50359
Author:	Rep. Wallace/ Sen. David
Date:	2/7/2018
Impact: Total Revenue	FY-18 \$20,373,000
	FY-19 \$581,445,000

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

Sections 2-4 of the measure levy and provide administration directive for an additional 75 mill/cigarette tax on cigarettes. Revenue from the levy will be apportioned to the General Revenue Fund through FY-19, beginning FY-20 and thereafter such revenue will be apportioned to the State Health Care Enhancement Fund, which the Legislature shall appropriate for the purpose of enhancing the health of Oklahomans. The Tax Commission revenue estimate for the cigarette tax provided in this measure is as follows:

FY-18	\$20,234,000
FY-19	\$243,125,000

Sections 5-7 and 21 of the measure convert the taxation of little cigars to mirror the taxation of cigarettes. Previously little cigars were subject to specific little cigar tax levies. The Tax Commission revenue estimate for the conversion provided in this measure is as follows:

FY-18	\$139,000
FY-19	\$1,665,000

Section 8 of the measure levies an additional 10% tax upon the factory list prices of chewing tobacco, smokeless tobacco, and snuff. Revenue from the levy will be apportioned to the General Revenue Fund through FY-19, beginning FY-20 and thereafter such revenue will be apportioned to the State Health Care Enhancement Fund, which the Legislature shall appropriate for the purpose of enhancing the health of Oklahomans. The Tax Commission revenue estimate for the tobacco products tax provided in this measure is as follows:

FY-18	\$0
FY-19	\$11,200,000

Sections 9 and 10 of the measure levy an additional 6 cent per gallon tax on gasoline and diesel fuel. Revenue from the levy will be apportioned to the General Revenue Fund through FY-19, beginning FY-20 and thereafter such revenue will be apportioned to the Rebuilding Oklahoma Access and Driver Safety (ROADS) Fund. Section 10 provides that the existing Motor Fuels Tax exemptions will also apply to the new tax levy. The Tax Commission revenue estimate for the gasoline and diesel fuel tax provided in this measure is as follows:

FY-18	\$0
FY-19	\$172,090,000

Sections 11 and 12 of the measure increase from 2% to 4% the gross production tax on production occurring in the first 36 months from an oil, gas or oil and gas well. The increase applies to all production, occurring after the effective date of this act, subject to the 36 month rate. The measure also provides a 4% incentive rate for 36 months for recompleted and reestablished wells, and clarifies the apportionment scheduled applicable to the incentive rate. The Tax Commission revenue estimate for the gross production tax rate modifications provided in this measure is as follows:

FY-18	\$0
FY-19	\$133,365,000

Sections 13-20 of the measure create the Oklahoma Zero-Emission Facility Energy Tax Act and provide administrative directive. The Act levies a tax of \$1 per megawatt hour on the production of electricity by commercial wind turbines and other zero-emission facilities. Revenue from the levy will be apportioned to the General Revenue Fund. The Tax Commission revenue estimate for the zero-emission facility energy tax provided in this measure is as follows

FY-18	\$0
FY-19	\$20,000,000

Total Revenue generated under HB 1033XX:

FY-18	\$20,373,000
FY-19	\$581,445,000

Prepared By: John McPhetridge

Other Considerations

None.