

BILL SUMMARY
1st Session of the 56th Legislature

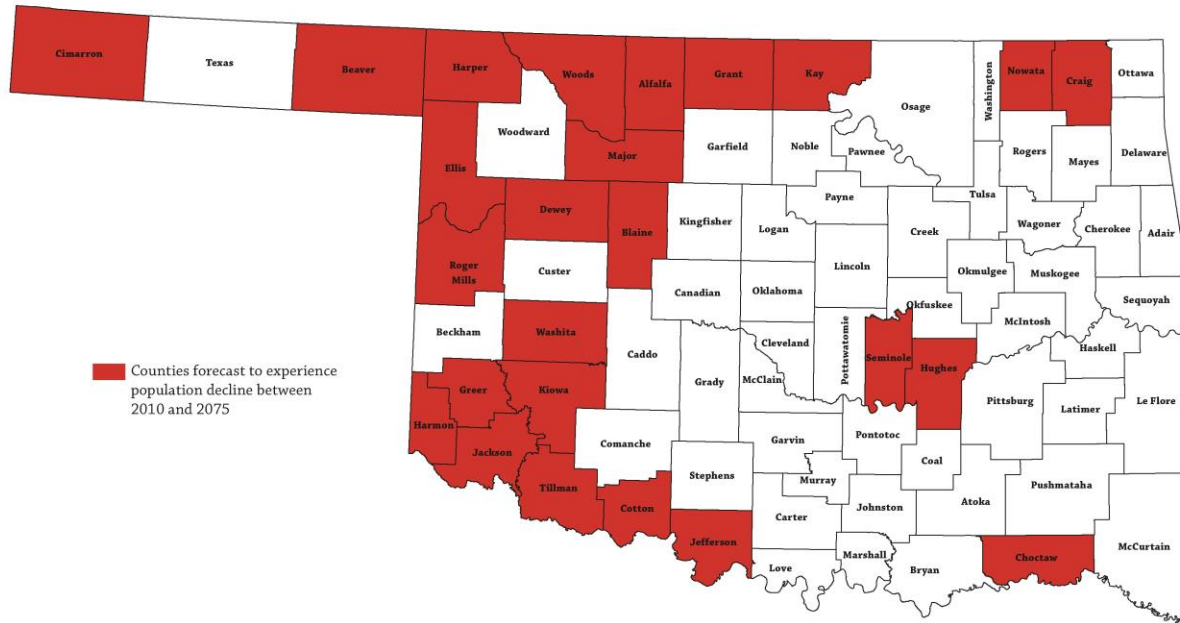
Bill No.:	HB 1156
Version:	INT
Request Number:	6350
Author:	Rep. Biggs
Date:	2/14/2017
Impact:	Tax Commission:
	Estimated Revenue Decrease:

FY-18: \$688,000
FY-19: \$1,721,000

Research Analysis

HB1156, as introduced, provides an income tax exemption for any person that relocates from outside the state of Oklahoma to a county within Oklahoma that is projected to experience a population decline according to a publication released by the Oklahoma Department of Commerce titled “2012 Demographic State of the State Report – Oklahoma State and County Population Projections through 2075.” The exemption is 100 percent of taxable income for a period of 5 years.

Population Decline | 2010-2075



Fiscal Analysis

From the Tax Commission:

An analysis of 2013 Oklahoma income tax data³ was made, reviewing the amount of tax paid and the number of first time Oklahoma filers with an address in one of the specified counties with declining populations who claimed at least one exemption (thereby eliminating first time filers of young people living at home and claimed as an exemption on their parents' return). After determining the total tax due for these filers, the refundable credits claimed on these returns were subtracted to arrive at the amount of the estimated impact. The income tax exemption would result in a potential revenue decrease of \$1,721,000. Assuming similar amounts for subsequent years would result in a potential revenue decrease of \$1,721,000 each year, beginning with tax year 2018, for the next five (5) years. The full impact of this proposed legislation will be in FY 23 with a projected revenue decrease of \$9,293,000. (See Table 1 below).

Table 1 – Estimated FY Effects - All							
Tax Year		FY18	FY19	FY20	FY21	FY22	FY23
2018	\$1,721,000	\$688,000	\$1,033,000				
2019	\$3,442,000		\$1,377,000	\$2,065,000			
2020	\$5,163,000			\$2,065,000	\$3,098,000		
2021	\$6,884,000				\$2,754,000	\$4,130,000	
2022	\$8,605,000					\$3,442,000	\$5,163,000
2023	\$10,326,000						\$4,130,000
	Total	\$688,000	\$2,410,000	\$4,130,000	\$5,852,000	\$7,572,000	\$9,293,000

³ Tax year 2014 and 2015 data is being analyzed to update this estimate and an updated estimate will be provided when available.

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Other Considerations

None.