

**BILL SUMMARY**  
1<sup>st</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2301</b>
<b>Version:</b>	<b>FA1</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Mr. Speaker</b>
<b>Date:</b>	<b>2/24/2017</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Uncertain as to Which Tax Year,  
After Tax 2018, the Exemption  
May Not Be Made Available**

**Research Analysis**

Please see previous summary of this measure.

Prepared By: Marcia Goff

**Fiscal Analysis**

From the Tax Commission:

The Floor Amendment to HB 2301(FA1 McCallCh-JM) continues to limit the exemption to \$25,000 per taxable year. This amendment further limits the \$25,000 exemption to no more than 5 years and requires the Tax Commission to calculate and publish an estimate of the cumulative total of taxes forgone due to the provisions of the \$25,000 exemption. The \$25,000 exemption will not be available or claimed for any taxable year following the year that the Oklahoma Tax Commission calculates an estimate of forgone taxes in excess of \$1,000,000.

***Revenue Impact:***

The impact for tax year 2018 is a projected decrease in income tax collections of \$1.44 million. Changes to withholding or estimated tax as a result of this exemption are expected; therefore some impact would occur in FY18. A projected decrease in income tax collections of \$576,000 should occur in FY18. For FY19 the estimated decrease in income tax collections would be \$1.44 million. It is uncertain which tax year, after tax year 2018, this exemption may not be available due to the annual determination by the Tax Commission that the estimate of the cumulative total of taxes forgone exceeds \$1 million.

Prepared By: Mark Tygret

**Other Considerations**

None.

