

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 3055
Version:	INT
Request Number:	8497
Author:	Rep. Hilbert
Date:	2/14/2018
Impact:	Tax Commission:

FY 19: -0-

FY 20: Potential increase of \$16 million in state revenue

Research Analysis

HB3055, as introduced, ends a tax credit for affordable housing projects approved by the Oklahoma Housing Finance Authority effective December 31, 2018. Tax year 2018 is the last year credits may be claimed although unused credits allocated prior to January 1m 2019 may be carried forward for up to 5 years.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

Revenue Impact:

The federal credit is claimed in equal amounts over a 10 year period. The state credit mirrors the federal credit. Under current law, it is expected that \$16 million credits would be claimable in 2019. (\$4 million in 2016; \$8 million in 2017; \$12 million in 2018). Under this proposal, the estimated impact for 2019 is a \$16 million increase in revenue. Changes to withholding or estimated tax are not expected; therefore a projected revenue increase of \$16 million should occur in FY20 when the 2019 income tax returns are filed² and an additional \$4 million in each FY thereafter. The full impact of this proposed legislation will be in FY26 with a projected revenue increase of \$40 million.

Prepared By: Mark Tygret

Other Considerations

None.