

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	SB 1423
Version:	ENGR
Request Number:	NA
Author:	Mr. Speaker
Date:	4/11/2018
Impact:	Caps Apportionment to Funds Freight Car Tax Collections

Research Analysis

Engrossed SB1423 establishes an annual cap on the amount of freight car tax revenue that may be apportioned to the Oklahoma Department of Transportation for the Railroad Maintenance Revolving Fund. The amount apportioned annually to the fund cannot exceed the three year average of the amounts apportioned for fiscal years 2015, 2016 and 2017, which is \$824,702 according to the Oklahoma Tax Commission. Revenues in excess of the established cap will be deposited into the General Revenue Fund.

Prepared By: Quyen Do

Fiscal Analysis

The measure provides cap on the amounts apportioned to various funds from a freight car tax collections to no more than the three (3) year average of amounts apportioned for fiscal years 2015, 2016 and 2017. Any amounts in excess of the three year average are to be deposited into the General Revenue Fund

Outlined below is the three year average of the amounts apportioned to the Fund for fiscal years 2015, 2016 and 2017 compared to the amounts apportioned to the Fund in FY 17. Assuming similar collections in FY 19 to those realized in FY 17, no excess funds are estimated for deposit to the General Revenue Fund.

Freight Car Tax					
Railroad Maintenance	FY 15	FY 16	FY 17	3 Year Average	Excess to GRF
Revolving Fund	\$826,793	\$850,453	\$796,861	\$824,702	\$0

Prepared By: Mark Tygret

Other Considerations

68 O.S., Section 2202:

All freight cars owned, operated, rented, leased, or used by any freight line company, equipment company, or mercantile company which are moved over, or used in the operation of, the line of any railroad company, as hereinbefore defined, wholly or partially within this state, are hereby

classified for the purpose of taxation; and a tax equivalent to four percent (4%) of the gross revenue in this state, is hereby levied on such freight cars; and such tax shall be in lieu of ad valorem taxes upon such freight cars.

Nothing in this act shall be construed to exempt from ad valorem taxation any real or personal property other than freight cars, or any freight cars which are not operated over the line of any common carrier railroad, as hereinbefore defined, upon which the gross revenue tax herein levied does not apply. It is hereby expressly provided that the provisions of this act shall apply to both public service and private corporations.

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