

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

<b>Bill No.:</b>	<b>SB 225</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Wright</b>
<b>Date:</b>	<b>4/12/2017</b>
<b>Impact:</b>	<b>Tax Commission:</b>
<b>Minimal Decrease in Income Tax Collections</b>	

**Research Analysis**

Engrossed SB225 exempts oil and gas royalty payments made to publicly traded partnerships or their affiliates from state income tax withholding requirements.

Prepared By: Quyen Do

**Fiscal Analysis**

From the Tax Commission:

Under current law, oil and gas royalty payments made to royalty interest owner in respect to production of oil and gas in Oklahoma are subject to income tax withholding in an amount equal to five percent (5%) of the gross amount which would have otherwise been payable to the person entitled to the payment. The following are currently exempt from the withholding provisions:

1. Current or permanent residents of Oklahoma
2. The United States, this state or any state or federal agency or political subdivision
3. Any charitable institution
4. Any federally recognized Indian tribe

A minimal decrease to income tax collections is anticipated as a result of this measure for FY18.

Prepared By: Mark Tygret

**Other Considerations**

None.