

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

<b>Bill No.:</b>	<b>SB 547</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Newton</b>
<b>Date:</b>	<b>3/31/2017</b>
<b>Impact:</b>	<b>Tax Commission: raises wire transmission fee from \$5 to \$7.50 and apportions the funds to OBND as well as to the District Attorneys and Indigent Defense System</b>

**Research Analysis**

Engrossed SB547 increases wire transfer fees and allocates the increased revenue to the District Attorney's Council Revolving Fund and the Indigent Defense System Revolving Fund. The fee for transactions up to \$500 is increased from \$5 to \$7.50. The fee for any excess amount over \$500 threshold is increased from 1 percent of the amount in excess to 1.5 percent of the amount in excess of \$500.

Prepared By: Quyen Do

**Fiscal Analysis**

The ENGR version of SB 547 upon review by the Tax Commission has an revenue impact for FY-18 & 19 as follows:

FY 18: \$2,645,000 collections in wire transmitter fees  
FY 19: \$6,348,000 collections in wire transmitter fees

The measure would raise the current wire transmitter fee to \$7.50 for any wire transaction amount not in excess of \$500 with a 1.5% fee for all amounts over \$500. Due to the fact that wire transmittal fees are remitted on the 15<sup>th</sup> day of the month following the calendar quarter and the measure proposes a November 1, 2017 effective date only 5 months of remittances at the proposed rate increase are allocated to FY 18.

The measure apportions the fee as follows:

The current fee of \$5.00 for each transaction not in excess of \$500, plus 1% of any amount in excess of \$500 will continue to be allocated to the Laundering and Wire Transmitter Revolving Fund;  
\$1.50 for each transaction not in excess of \$500, plus 0.3% of any amount in excess of \$500 to the District Attorneys Council Revolving Fund; and  
\$1.00 for each transaction not in excess of \$500 plus 0.2% of any amount in excess of \$500 to the Indigent Defense System Revolving Fund.

Oklahoma Tax Commission records indicate that a total of \$12,696,879 in wire transmitter fees were collected in FY 16 and that approximately 70% of all wire transmittal fees collected were attributable to amounts less than \$500 and that 30% were related to amounts over \$500. Increasing the current fees to \$7.50 & 1.5% yield a 50% or \$6,348,440 estimated increase in wire transmitter fee collections. With an effective date of November 1, 2017, an increase of \$2,645,183 in wire transmittal fees is estimated for FY 18 with an increase of \$6,348,440 in wire transmittal fees for FY 19.

The estimated fee increases are apportioned as follows<sup>2</sup>:

An estimated increase of \$1,587,110 apportioned to the District Attorneys Council Revolving Fund for FY 18 and an estimated increase of \$3,809,064 apportioned to the District Attorneys Council Revolving Fund for FY 19.

An estimated increase of \$1,058,073 apportioned to the Indigent Defense System Revolving Fund for FY 18 and an estimated \$2,539,376 apportioned to the Indigent Defense System Revolving Fund for FY 19.

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### **Other Considerations**

None.