

OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND EXTRAORDINARY SESSION, FIFTY-SIXTH OKLAHOMA LEGISLATURE (2018)

DATE OF IMPACT STATEMENT: April 18, 2018

BILL NUMBER: HB 1014xx **STATUS AND DATE OF BILL:** Enrolled Bill 04/17/2018

AUTHORS: House Wallace & Casey et al Senate David and Fields

TAX TYPE (S): Income, Motor Fuel & Motor Vehicle **SUBJECT:** Apportionment

PROPOSAL: Amendatory

Section 1 of this measure proposes amendment to Section 1521 of Title 69 by reducing for FY 20 the amount of income tax revenues deposited to the Rebuilding Oklahoma Access and Driver Safety Fund [ROADS] by the amounts attributable to the three cents per gallon tax levy on gasoline and six cents per gallon levy on diesel and the changes in Section 1104 apportionment outlined in Section 2 of this measure.

Section 2 proposes amendment to Section 1104 of Title 47 by providing for the modification of the apportionment of motor vehicle collections.

EFFECTIVE DATE: July 1, 2019

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 18: None
FY 19: None
FY 20: See attached for analysis

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 18: Unknown

Apr. 19, 2018
DATE

Rick Miller
DIVISION DIRECTOR

msm

4-19-18
DATE

Reece Womack
REECE WOMACK, ECONOMIST

4-19-18
DATE

Jimmy White
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - HB 1014xx - [Enrolled] Prepared 04/18/2018

Section 1 of this measure proposes amendment to Section 1521 of Title 69 by reducing for FY 20 the amount of income tax revenues deposited to the Rebuilding Oklahoma Access and Driver Safety Fund [ROADS] by the amounts attributable to the proposed three cents per gallon tax levy on gasoline and six cents per gallon levy on diesel fuel and the changes in Section 1104 apportionment outlined in Section 2 of this measure. It also provides that the total amount apportioned to the ROADS fund cannot exceed \$575,000,000 in any fiscal year. Any amounts in excess of this limitation must be placed to the credit of the General Revenue Fund.

Motor fuel revenues associated with the proposed increases in the gasoline and diesel fuel tax rates are estimated in the amount of \$114,527,000 for FY 20 to be deposited in the ROADS fund pursuant to Section 6 of HB 1010xx.

Section 2 proposes amendment to Section 1104 of Title 47 by modifying the apportionment of motor vehicle collections for FY 20. The measure proposes that the percentage of motor vehicle tax collections [24.84%] currently apportioned to the General Revenue Fund be directed to the ROADS Fund. Currently, the following funds are capped at the amounts apportioned to these Funds in FY 15 – Schools, State Transportation Fund, Counties for Highways, Counties for County Roads, Counties for Highway Funds, Counties for General Funds and Cities and Towns – with any excess revenues apportioned to the General Revenue Fund. The proposal directs the deposit of the excess funds to the ROADS fund. Additionally, the County Improvement Roads and Bridges Fund is currently capped at the annual amount of \$120,000,000 with the excess to GRF. This Section also redirects revenues in excess of the cap to the ROADS Fund.

Net Revenue Impact

Section 1 proposes amendment to Section 1521 of Title 69 relating to the Rebuilding Oklahoma Access and Driver Safety Fund by providing that the apportionment from income taxes to the fund shall be less than the collections from the motor fuel tax fees levied in Section 6 of HB 1010xx and motor vehicle apportionment changes described in Section 2 of this measure.

Analysis:

FY 20:

\$114,527,000 increase in motor fuel tax collections deposited to the ROADS Fund

\$114,527,000 decrease in income tax collections deposited to the ROADS Fund

\$114,527,000 increase in income tax collections deposited to the General Revenue Fund

There is no net change in revenues allocated to the ROADS Fund or the General Revenue Fund attributable to the revisions proposed in Section 2 to the apportionment of motor vehicle collections pursuant to Section 1104 of Title 47 of the Oklahoma Statutes.