

OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-SIXTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 27, 2017

BILL NUMBER: HB 1846 **STATUS AND DATE OF BILL:** Engrossed Bill 3/21/17

AUTHORS: House Osborn Senate Smalley

TAX TYPE (S): Gross Production **SUBJECT:** Apportionment

PROPOSAL: Amendatory and New Law

SB 1846 proposes an amendment to the apportionment of gross production tax, modifying the destination of certain allocations and creates the Gross Production Support for Education Fund.

EFFECTIVE DATE: July 1, 2017

REVENUE IMPACT:

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

FY 18: \$71,520,000 decrease in gross production tax apportioned to School Districts. \$71,250,000 in gross production tax would be apportioned to the newly created Gross Production Support for Education Fund.

ADMINISTRATIVE IMPACT:

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

FY 18: Minimal

Mar. 28, 2017
DATE

3-28-17
DATE

3/28/17
DATE

Rick Miller
DIVISION DIRECTOR

Reece Womack
REECE WOMACK, ECONOMIST

Jim McInt
FOR THE COMMISSION

mjh

Attachment to Fiscal Impact-HB-1846 [Engrossed] Prepared March 27, 2017

HB 1846 proposes new law to be codified in the Oklahoma Statutes as Section 34.97 of Title 62, creating a fund to be known as the Gross Production Support for Education Fund. HB 1846 also amends 68 O.S. §1004, proposing a change to the apportionment of gross production tax.

The measure proposes to change the apportionment of funds currently allocated to each county based on a proportion of the total value of production from each county and distributed to school districts based on average daily attendance. The existing fund would be replaced with a new fund to be known as the Gross Production Support for Education Fund. The percentage allocation of revenue apportioned to the new fund would remain unchanged from the current apportionment to School Districts.

The estimated revenue impact associated with this measure is as follow:

FY 18: \$71,520,000 decrease in gross production tax apportioned to School Districts.

\$71,520,000 in gross production tax would be apportioned to the newly created Gross Production Support for Education Fund¹.

¹ The estimated revenue impact is based on the Fiscal Year 2018 gross production revenue forecast.