

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 21, 2018

BILL NUMBER: HB 2991 **STATUS AND DATE OF BILL:** Engrossed 3/12/2018

AUTHORS: House McEntire Senate Griffin

TAX TYPE (S): All **SUBJECT:** Other

PROPOSAL: Amendatory

HB 2991 proposes to amend §291 of Title 68 by requiring analysis of incidence of certain taxes.

EFFECTIVE DATE: November 1, 2018

REVENUE IMPACT:

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

FY 19: -0-

FY 20: -0-

ADMINISTRATIVE IMPACT:

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

FY 19: Increase administrative cost of \$100,000

Mar. 22, 2018
DATE


DIVISION DIRECTOR

jpg

3-22-18
DATE


REECE WOMACK/ECONOMIST

3-22-18
DATE


FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT – HB 2991[Engrossed] Prepared March 21, 2018

HB 2991 proposes to amend §291 of Title 68 by requiring analysis of incidence of certain taxes.

Under current law, at the request of the Chair of the Finance Subcommittee of the House Appropriations and Budget Committee or the Senate Finance Committee, the Tax Commission shall prepare an incidence impact analysis of a bill or a proposal to change the tax system which increases, decreases, or redistributes taxes by more than Twenty Million Dollars (\$20,000,000). To the extent data is available on the changes in the distribution of the tax burden that are affected by the bill or proposal, the analysis shall report on the incidence effects that would result if the bill were enacted.

Additionally, under this proposal, the Tax Commission shall report to the legislature by March 1 of each odd-numbered year on the overall incidence of income tax, sales tax and other excise taxes. The report shall present information on the distribution of the tax burden as follows:

- (1) For the overall income distribution, using a system-wide incidence measure, such as the Suits index or other appropriate measures of equality and inequality;
- (2) by income classes, including at a minimum, deciles of the income distributions; and
- (3) by other appropriate taxpayer characteristics.

The estimated administrative impact to the Tax Commission related to the duties of this proposal is \$100,000.