

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: April 25, 2018

BILL NUMBER: HB 3715 **STATUS AND DATE OF BILL:** Engrossed Bill 4/24/18

AUTHORS: House Wallace & Casey Senate David, Fields & Smalley

TAX TYPE (S): Income Tax **SUBJECT:** Administrative

PROPOSAL: Amendatory

HB 3715 proposes to amend 68 O.S. § 2368 relating to the filing and payment of Oklahoma income tax by adding a new provision for taxpayers that make elections under the Internal Revenue Code for installment payments for certain limited transactions effective for tax year 2017 and subsequent years.

EFFECTIVE DATE: August 24, 2018¹

REVENUE IMPACT:

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

FY 19: Minimal

FY 20: Minimal

ADMINISTRATIVE IMPACT:

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

FY 19: -0-

Apr. 25, 2018
DATE

Rick Miller
DIVISION DIRECTOR

mck

4-26-2018
DATE

Huan Gong for
REECE WOMACK, ECONOMIST

4-26-18
DATE

Jimmy M. E.
FOR THE COMMISSION

¹ No effective date was specified in the bill, so this measure is effective 90 days after the legislature adjourns sine day. This effective date assumes legislature adjourns sine die on May 25, 2018.

ATTACHMENT TO FISCAL IMPACT - HB 3715 [Engrossed] Prepared April 25, 2018

HB 3715 proposes to amend 68 O.S. § 2368 relating to the filing and payment of Oklahoma income tax by adding a new provision for taxpayers that make elections under the Internal Revenue Code for installment payments for certain limited transactions effective for tax year 2017² and subsequent years.

The estimated impact of allowing taxpayers who elect to make installment payments³ of federal tax under subsection (h) of Section 965 of the Internal Revenue Code, 26 U.S.C. Section 965 to make a similar installment payments for Oklahoma income tax purposes for the same transaction beginning with tax year 2017 should be minimal in FY19 and FY20.

² Under the provisions of HR1 enacted in December 2017 certain foreign transactions are deemed to occur and are reported in a specific tax year and the ensuing tax may be paid to the IRS in 8 annual installments at the election of the taxpayer.

³ Under current law, the Oklahoma tax associated with these new transactions are not payable in installments.