

SB 1205 fiscal impact

For the most recent year for which we have data (Calendar Year 2016), insurance companies took \$23,554,155 in home office tax credits against their insurance premium tax liability. Based on this as the starting point, SB1205 would result in a **positive fiscal impact to the state general revenue fund and three state pension funds** by increasing insurance premium tax collections as follows:

FY20

75% reduction in the amount of credit allowed = \$17,665,616.25 additional insurance premium tax collected by the Insurance Department.

45% of premium tax collected goes to the state's general revenue fund = \$7,949,527.31

55% of premium tax collected goes to the pension systems:

36% to the Oklahoma Firefighters Pension and Retirement Fund = \$6,359,621.85

14% to the Oklahoma Police Pension and Retirement System = \$2,473,186.28

5% to the Law Enforcement Retirement Fund = \$883,280.81

FY21

81% reduction in the amount of credit allowed = \$19,078,865.55 additional insurance premium tax collected by the Insurance Department.

45% to the state's general revenue fund = \$8,585,489.50

55% to the pension systems:

36% to the Oklahoma Firefighters Pension and Retirement Fund = \$6,868,391.60

14% to the Oklahoma Police Pension and Retirement System = \$2,671,041.18

5% to the Law Enforcement Retirement Fund = \$953,943.28

FY22

87% reduction in the amount of credit allowed = \$20,492,114.85 additional insurance premium tax collected by the Insurance Department.

45% to the state's general revenue fund = \$9,221,451.68

55% to the pension systems:

36% to the Oklahoma Firefighters Pension and Retirement Fund = \$7,377,161.35

14% to the Oklahoma Police Pension and Retirement System = \$2,868,896.08

5% to the Law Enforcement Retirement Fund = \$1,024,605.74

FY23

93% reduction in the amount of credit allowed = \$21,905,364.15 additional insurance premium tax collected by the Insurance Department.

45% to the state's general revenue fund = \$9,857,413.87

55% to the pension systems:

36% to the Oklahoma Firefighters Pension and Retirement Fund = \$7,855,931.09

14% to the Oklahoma Police Pension and Retirement System = \$3,066,750.98

5% to the Law Enforcement Retirement Fund = \$1,095,268.21

FY24 and beyond

100% reduction in the amount of credit allowed = \$23,554,155 additional insurance premium tax collected by the Insurance Department.

45% to the state's general revenue fund = \$10,599,369.75

55% to the pension systems:

36% to the Oklahoma Firefighters Pension and Retirement Fund = \$8,479,495.80

14% to the Oklahoma Police Pension and Retirement System = \$3,297,581.70

5% to the Law Enforcement Retirement Fund = \$1,177,707.75

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