

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 27, 2018

BILL NUMBER: SB 1229 **STATUS AND DATE OF BILL:** Introduced 1/18/18

AUTHORS: House n/a Senate Sykes

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

PROPOSAL: Amendatory

SB 1229 proposes to amend 68 O.S. § 2357.401 which relates to the Wire Transmitter Fee Credit by reinstating this credit effective November 1, 2018.

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: Potential revenue decrease of \$1,468,000.

ADMINISTRATIVE IMPACT:

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

FY 19: None

Feb. 27, 2018
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-27-2018
DATE

Huam Gong for
REECE WOMACK, ECONOMIST

2-27-18
DATE

Jimmy Munt
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT – SB 1229[Introduced] Prepared February 27, 2018

SB 1229 proposes to amend 68 O.S. § 2357.401 which relates to the Wire Transmitter Fee Credit by reinstating this credit effective November 1, 2018.

Under current law for tax years ending on or before December 31, 2016 an income tax credit is allowed in the amount of the electronic funds transfer fees paid by individuals or entities pursuant to 63 O.S. §2-503.1j. Any unused credit may be carried over for a period of five (5) years.

This measure proposes to reinstate the credit effective November 1, 2018.¹ An analysis of tax year 2015 returns shows that \$734,000 of this credit was used to reduce tax. Assuming similar usage of this credit for tax year 2017 and 2018 would result in an estimated decrease in income tax collections of \$1,468,000. Tax year 2017 returns would likely be amended after the effective date of this act and no changes in withholding or estimated tax payments are anticipated for tax year 2018, so the full impact of a decrease in income tax collections of \$1,468,000 should occur in FY19 when the tax returns are filed.

¹ As drafted, this measure appears to allow the credit for tax year 2017 and subsequent tax years, with taxpayers being able to amend tax year 2017 income tax returns.