

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 16, 2018

BILL NUMBER: SB 1256 **STATUS AND DATE OF BILL:** Introduced 1/18/18

AUTHORS: House n/a Senate Dahm

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

PROPOSAL: Amendatory

SB 1256 proposes to amend 68 O.S. § 2357.41 which relates to the Tax Credit for Qualified Rehabilitation Expenditures by reducing the carryover period for unused income tax credits from the current ten (10) years to four (4) years. This is effective for credits generated on or after July 1, 2018.

EFFECTIVE DATE: July 1, 2018 - Emergency

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: None

Feb 16, 2018
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-16-18
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2-17-18
DATE

Jimmy M. H.
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 1256[Introduced] Prepared February 16, 2018

SB 1256 proposes to amend 68 O.S. § 2357.41 which relates to the Tax Credit for Qualified Rehabilitation Expenditures by reducing the carryover period for unused income tax credits from the current ten (10) years to four (4) years. This is effective for credits generated on or after July 1, 2018.

Under current law a transferable income tax credit¹ equal to one hundred percent (100%) of the federal rehabilitation credit under 26 U.S.C. §47 is allowed. Unused credit may be carried over for a period of ten (10) years.

Based upon the amount of outstanding carryover of this credit and the proposed carryover period becoming effective for tax credits generated on or after July 1, 2018, there is no short term impact on income tax collections.²

¹ This credit may also be claimed against the insurance premium tax under 36 O.S. § 624 or §628.

² For tax year 2015, Tax Commission data indicates \$13,097,138 in credits was claimed and \$4,836,838 credits was used to offset Oklahoma income tax.