

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** March 8, 2018

**BILL NUMBER:** SB 1452 **STATUS AND DATE OF BILL:** Engrossed 3/07/2018

**AUTHORS:** House McCall Senate Schultz

**TAX TYPE (S):** Cigarette Tax **SUBJECT:** Apportionment

**PROPOSAL:** Amendatory

The measure proposes for fiscal years beginning FY 19 to cap the amount of Cigarette Tax revenues<sup>1</sup> apportioned to the Health Employee and Economy Improvement Revolving Fund, Oklahoma Health Care Authority Medicaid Program Fund and the Department of Mental Health and Substance Abuse Services Revolving Fund at the three-year average of the revenues apportionments in fiscal years 2015, 2016 and 2017. Revenues in excess of the established cap shall be deposited to the General Revenue Fund.

**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: \$5,827,000 increase in apportionment to the General Revenue Fund with decreases in cigarette tax revenues apportioned to the outlined Funds in the following amounts:

- \$2,528,000 Health Employee and Economy Improvement Act Revolving Fund.
- \$2,999,000 Oklahoma Health Care Authority Medicaid Program Fund.
- \$300,000 to the Department of Mental Health and Substance Abuse Services Revolving Fund.

**ADMINISTRATIVE IMPACT:** None

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

FY 19: None

Mar. 9, 2018  
DATE

Rick Miller  
DIVISION DIRECTOR

msm

3-9-2018  
DATE

Heaven Gong, for  
REECE WOMACK, ECONOMIST

3-12-18  
DATE

Jim Munt  
FOR THE COMMISSION

<sup>1</sup> Applies to tax revenues from both tribal and nontribal sales of tobacco products.

**ATTACHMENT TO FISCAL IMPACT–SB 1452–[Engrossed]–Prepared March 8, 2018.**

The measure proposes for fiscal years beginning FY 19 to cap the amount of Cigarette Tax revenues<sup>2</sup> apportioned to the Health Employee and Economy Improvement Revolving Fund, Oklahoma Health Care Authority Medicaid Program Fund and the Department of Mental Health and Substance Abuse Services Revolving Fund at the three-year average of the revenues apportionments in fiscal years 2015, 2016 and 2017. Revenues in excess of the established cap shall be deposited to the General Revenue Fund.

Outlined below are the three year averages of the amounts apportioned to the affected Funds for fiscal years 2015, 2016 and 2017. When compared to the amounts projected to be apportioned to the Funds in FY 19, excess funds of \$5,827,303 are estimated for deposit to the General Revenue Fund.

<b>Cigarette Tax</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>3 Year Average</b>	<b>FY 19 Forecast<sup>3</sup></b>	<b>Excess to General Revenue Fund</b>
Health Employee and Economy Improvement Act Revolving Fund	\$30,507,406	\$30,207,785	\$29,865,357	\$30,193,516	\$30,541,188	\$347,672
Oklahoma Health Care Authority Medicaid Program Fund	\$36,556,995	\$36,123,362	\$35,713,877	\$36,131,411	\$36,522,054	\$390,643
Mental Health and Substance Abuse Services Revolving Fund	\$3,672,329	\$3,628,768	\$3,587,633	\$3,629,577	\$3,668,819	\$39,242
<b>Cigarette Tax (Tribal)</b>						
Health Employee and Economy Improvement Act Revolving Fund	\$1,996,294	\$2,466,767	\$3,376,855	\$2,613,305	\$4,793,759	\$2,180,454
Oklahoma Health Care Authority Medicaid Program Fund	\$2,387,923	\$2,950,692	\$4,039,319	\$3,125,978	\$5,734,188	\$2,608,210
Mental Health and Substance Abuse Services Revolving Fund	\$239,030	\$295,363	\$404,335	\$312,909	\$573,991	\$261,082
<b>Total</b>						<b>\$5,827,303</b>

<sup>2</sup> Applies to tax revenues from both tribal and nontribal sales of tobacco products.

<sup>3</sup> Oklahoma Tax Commission – Revenue Forecast for FY 19 Issued February 15, 2018.