

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 17, 2018

BILL NUMBER: SB 1460 **STATUS AND DATE OF BILL:** Introduced 01/18/18

AUTHORS: House N/A Senate Jech

TAX TYPE (S): Workers' Compensation **SUBJECT:** Tax Rate

PROPOSAL: Amendatory

SB 1460 amends O.S. 40 Section 418 proposing to increase the tax rate on workers' compensation payments made by insurance carriers and self-insured employers from three-fourths of one percent (3/4 of 1%) to one and one half percent (1.5%).

EFFECTIVE DATE: July 1, 2018

REVENUE IMPACT:

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

FY 19: \$ 1,636,000 estimated increase in collections on workers' compensation
FY 20: -0-

ADMINISTRATIVE IMPACT:

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

FY 19: None

Feb 17, 2018
DATE

Pack Miller
DIVISION DIRECTOR

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2-17-18
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2-17-18
DATE

Jim Whit
FOR THE COMMISSION

Attachment to Fiscal Impact SB 1460 [Introduced] Prepared February 1, 2018

SB 1460 amends O.S. 40 Section 418 proposing to increase the tax rate on workers' compensation payments made by insurance carriers and self-insured employers from three-fourths of one percent ($\frac{3}{4}$ of 1%) to one and one half percent (1.5%).

The Oklahoma Tax Commission currently collects a three-fourths of one percent ($\frac{3}{4}$ of 1%) tax on the total workers' compensation losses, excluding medical payments and temporary total disability compensation. In FY 17 the amount collected at the current rate totaled \$1,635,848¹. SB 1460 proposes to double the current tax rate to one and one half percent (1.5%), thus increasing collections by \$1,635,848.

The impact to state revenues will be an increase of \$1,635,848 for FY 19. There is no estimated administrative impact to the Tax Commission.

¹ Based on FY 17 apportionment.