

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 7, 2017

BILL NUMBER: SB 433 **STATUS AND DATE OF BILL:** Introduced 01/29/2017

AUTHORS: House N/A Senate Fields

TAX TYPE (S): Aircraft **SUBJECT:** Other

PROPOSAL: Amendatory

The measure proposes amendment to Section 256 of Title 3 increasing annual aircraft registration fees for single-engine piston aircraft, rotary-wing aircraft, multiengine piston aircraft, turbo-prop aircraft and turbo-jet aircraft by varying amounts. See attached for detailed description.

EFFECTIVE DATE: November 1, 2017

REVENUE IMPACT:

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

FY 18: \$55,000 estimated increase in aircraft registration fees.

FY 19: \$83,000 estimated increase in aircraft registration fees.

ADMINISTRATIVE IMPACT:

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

FY 18: None

Feb. 7, 2017
DATE

Rick Miller
DIVISION DIRECTOR

msm

2-7-17
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/7/17
DATE

[Signature]
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT–SB 433-[Introduced] Prepared February 7, 2017

The measure proposes amendment to Section 256 of Title 3 increasing annual aircraft registration fees for single-engine piston aircraft, rotary-wing aircraft, multiengine piston aircraft, turbo-prop aircraft and turbo-jet aircraft by varying amounts.

Proposed increases to aircraft registration fees are outlined as follows:

Schedule A

Less than 1,750 pounds	from \$20.00 to \$30.00
1, 751-2,500 pounds	from \$35.00 to \$52.50
2,501-3,500 pounds	from \$55.00 to \$82.50
3,501-4,500 pounds	from \$75.00 to \$112.50
4,501-5,500 pounds	from \$95.00 to \$142.50
5,501-6,500 pounds	from \$115.00 to \$172.50
6,501-8,500 pounds	from \$135.00 to \$202.50
8,501-10,000 pounds	from \$185.00 to \$277.50
10,001-13,000 pounds	from \$230.00 to \$345.00
13,001-17,000 pounds	from \$265.00 to \$397.50
17,001-20,000 pounds	from \$300.00 to \$450.00
20,001-25,000 pounds	from \$375.00 to \$562.50
25,001-30,000 pounds	from \$500.00 to \$750.00
30,001-40,000 pounds	from \$625.00 to \$937.50
40,001-50,000 pounds	from \$750.00 to \$1,125.00
50,001-75,000 pounds	from \$1,000.00 to \$1,500.00
75,001-100,000 pounds	from \$1,250.00 to \$1,875.00
100,001 pounds and over	from \$1,500.00 to \$2,250.00

Rotary-wing aircraft are to be assessed at two times the Schedule "A" fee, based on the same weight classifications.

Multiengine piston aircraft are to be assessed at three times the Schedule "A" fee, based on the same weight classifications

Turbo-prop aircraft are to be assessed at six times the Schedule "A" fee, based on the same weight classifications

Turbo-jet aircraft are to be assessed at ten times the Schedule "A" fee, based on the same weight classifications.

As with current fees, the proposed fees are subject to reduction at a rate of 10% each year following the date of manufacture until the fee is equal to 50% of the original fee.

Analysis

OTC aircraft registration records indicate that \$326,627 in aircraft registration fees were remitted in CY 16. Based on the fee amount, number, type, weight and model year of aircraft registered with the OTC for CY 16, it is projected that revenues will increase 25.33% resulting in an additional \$82,735 in aircraft registration fees.

The effective date of the measure is November 1, 2017. The estimated impact for FY 18 is \$55,149 [$\$82,723 / 12 = \$6,894 \times 8 = \$55,149$]. The impact for FY 19 is \$82,723