

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 8, 2017

BILL NUMBER: SB 0058 **STATUS AND DATE OF BILL:** Introduced 01/02/2017

AUTHORS: House N/A Senate Bice

TAX TYPE (S): Mixed Beverage **SUBJECT:** Tax Rate

PROPOSAL: Amendatory 37A O.S. Supp. 2016, Section 5-105

The measure proposes to reduce the mixed beverage gross receipts tax rate from 13.5% to 10%.

EFFECTIVE DATE: October 1, 2018

REVENUE IMPACT:

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

FY 18: None

FY 19: See attached fiscal impact.

FY 20: See attached fiscal impact.

ADMINISTRATIVE IMPACT:

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

FY 18: None

Feb. 8, 2017
DATE

Rick Miller
DIVISION DIRECTOR

msm

2-8-17
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/8/17
DATE

Don Carr
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT SB 0058 - [Introduced] - Prepared February 7, 2017

The measure proposes to reduce the mixed beverage gross receipts tax rate from 13.5% to 10%

Based on the December 15, 2016 forecast of the Oklahoma Tax Commission, an estimated \$59,752,000 in mixed beverage gross receipts taxes are projected for FY 19.

With the passage of State Question 792 and SB 383¹ which makes mixed beverage tax applicable to all on-premise beer sales regardless of alcohol content it is estimated that at the current rate of 13.5% additional taxes in the amount of \$43,776,367 would be collected resulting total estimated mixed beverage taxes in the amount of \$103,528,367. Adjusting for the reduction in the tax rate from 13.5% to 10% yields an estimated increase in mixed beverage gross receipts tax of \$26,840,688.

The effective date of the measure is October 1, 2018. The estimated increase in mixed beverage gross receipts tax for FY 19 is \$15,567,068. The impact for FY 20 is an estimated increase in mixed beverage gross receipts tax of \$26,840,688

¹ Effective October 1, 2018