

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 16, 2018

BILL NUMBER: SB 883 **STATUS AND DATE OF BILL:** Introduced 12/14/17

AUTHORS: House n/a Senate Thompson

TAX TYPE (S): Income Tax¹ **SUBJECT:** Credit

PROPOSAL: Amendatory

SB 883 proposes to amend 68 O.S. § 2370.1 which relates to the *Small Business Guaranty Fee Credit* by extending the sunset date to December 31, 2021.

EFFECTIVE DATE: November 1, 2018

REVENUE IMPACT:

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

FY 19: None

FY 20: None

ADMINISTRATIVE IMPACT:

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

FY 19: None

Jan. 17, 2018
DATE

1-17-18
DATE

1-18-18
DATE

Rick Miller
DIVISION DIRECTOR

Reece Womack
REECE WOMACK, ECONOMIST

Jim Miller
FOR THE COMMISSION

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¹ The Small Business Guaranty Fee Credit may only be claimed against the "bank-in-lieu" tax under 68 O.S. § 2370 which operates as a corporate income tax on financial institutions.

ATTACHMENT TO FISCAL IMPACT - SB 883 [Introduced] Prepared: January 17, 2018

SB 883 proposes to amend 68 O.S. § 2370.1 which relates to the *Small Business Guaranty Fee Credit* by extending the sunset date to December 31, 2021.

Under current law financial institutions subject to the “bank-in-lieu” tax may claim as a credit against tax the amount of the guaranty fees the financial institution pays to the U.S. Small Business Administration (SBA) under certain SBA loan programs. This credit is set to expire for guaranty fees paid prior to January 1, 2019. This measure will extend the date to January 1, 2022.

The extension of time to claim this credit will have no *additional* impact on tax collections².

² For tax year 2015 \$1.3 million of *Small Business Guaranty Fee Credits* were used to offset Oklahoma tax.