

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 404
Version:	INT
Request No.:	887
Author:	Sen. Bice
Date:	01/17/2019

Bill Analysis

SB 404 repeals the Inventors Assistance Act. The Act provided a tax exemption for income derived from royalties and tax credit to inventors of products patented in the state.

Prepared by: Kalen Taylor

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: February 9, 2019

BILL NUMBER: SB 404 STATUS AND DATE OF BILL: Introduced 1/16/19

AUTHORS: House n/a Senate Bice

TAX TYPE (S): Income Tax SUBJECT: Repealer

PROPOSAL: Repealer

SB 404 proposes to repeal 74 O.S. § 5064.7 relating to the *Inventors Assistance Act*. Under current law royalty income is exempt from state income taxes for a period of seven (7) years upon certain products developed and manufactured in Oklahoma. Further, manufacturers may qualify for the Oklahoma Investment/New Jobs Credit (68 O.S. §2357.4) and an income exclusion of sixty-five percent (65%) of depreciable property purchased and directly used in manufacturing the product, not to exceed Five Hundred Thousand Dollars (\$500,000.00).

EFFECTIVE DATE: November 1, 2019

REVENUE IMPACT:

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

FY 20: Unknown positive impact¹

Feb. 9, 2019
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-9-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

2-9-19
DATE

Jim White
FOR THE COMMISSION

The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

¹ Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511, and therefore, the amount of income exempted under this expenditure item cannot be estimated. It is anticipated that the impact would be minimal.