

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 485
Version:	INT
Request No.:	1378
Author:	Sen. Bergstrom
Date:	01/20/2019

Bill Analysis

SB 485 creates a sunset date for the Small Business Incubators Incentives Act. The tax exemption ends on tax years after January 1, 2020.

Prepared by: Kalen Taylor

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 4, 2019

BILL NUMBER: SB 485 STATUS AND DATE OF BILL: Introduced 1/16/19

AUTHORS: House n/a Senate Bergstrom

TAX TYPE (S): Income Tax SUBJECT: Exemption

PROPOSAL: Amendatory

SB 485 proposes to amend 74 O.S. §§ 5072, 5075 and 5078 relating to the *Small Business Incubators Incentives Act*. This measure proposes to eliminate the small business incubator sponsor income tax exemption beginning with tax year 2020¹.

EFFECTIVE DATE: August 30, 2019²

REVENUE IMPACT:

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

FY 20: -0-

FY 21: Unknown positive impact³

Feb. 4, 2019
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-5-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

2-6-19
DATE

Jimmy McInt
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 Under current law income earned by a small business incubator sponsor from rental and service fees is exempt from income tax. This exemption is available for a period up to ten (10) years. Tenants of small business incubators are exempt from income tax on the income earned as a result of the occupancy in the incubator. This exemption is available for a period up to ten (10) years. The tenant tax exemption is not affected by this proposal.

² This measure contains language that it is to become effective in accordance with Section 58 of Article V of the Oklahoma Constitution and does not have a prescribed effective date. The August 30, 2019 effective date assumes the Legislature adjourns sine die as presently scheduled on May 31, 2019.

³ 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.