

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 519
Version:	INT
Request No.:	407
Author:	Sen. David
Date:	01/23/2019

Bill Analysis

SB 519 clarifies the purpose for money deposited into the Oil & Gas Division Revolving Fund and removes the General Revenue Fund from apportionments made by the Oil and Gas Division Revolving Fund.

Prepared by: Kalen Taylor

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: 2/20/2019

BILL NUMBER: SB 519 **STATUS AND DATE OF BILL:** Introduced 1/16/2019

AUTHORS: House n/a Senate David

TAX TYPE (S): Gross Production **SUBJECT:** Apportionment

PROPOSAL: Amendatory

SB 519 proposes to amend 68 § 1103 providing for a change to the apportionment of revenues from the excise tax levied on oil and natural gas.

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: See attached for analysis

FY 21: See attached for analysis

Feb. 21, 2019
DATE

Rick Miller
DIVISION DIRECTOR

klb

2-21-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

2-22-19
DATE

Tom Munt
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.

Attachment to Revenue Impact SB 519 [Introduced] February 20, 2019

SB 519 proposes to amend 68 § 1103 providing for a change to the apportionment of revenues from the excise tax levied on oil and natural gas.

Currently, of the monies derived from the levy of the excise tax on oil and natural gas eighty-two and six hundred thirty-four thousandths percent (82.634%) and eighty-two and six thousand forty-five ten thousandths percent (82.6045%), respectively, are apportioned to the General Revenue Fund. Before any of these monies can be apportioned to the General Revenue Fund the first one million three hundred and fifty thousand dollars (\$1,350,000), for both oil and natural gas revenues, must be transferred to the Oil and Gas Division Revolving Fund of the Oklahoma Corporation Commission. SB 519 proposes to modify the apportionment of the monies derived from the excise tax on oil and gas so that the monies currently apportioned to the General Revenue Fund will be apportioned to the Oil and Gas Division Revolving Fund. The effective date of this measure is November 1, 2019, thus the impact for fiscal year 2020 will not be a full year.

Net Revenue Impact
FY 20:

\$8,781,000 decrease to the General Revenue Fund

\$8,781,000 increase to the Oil and Gas Division Revolving Fund of the Oklahoma Corporation Commission

FY 21:

\$14,630,000 decrease to the General Revenue Fund

\$14,630,000 increase to the Oil and Gas Division Revolving Fund of the Oklahoma Corporation Commission

There is no net revenue impact on collections as a result of this measure.