

Bill Summary
1st Session of the 57th Legislature

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| Bill No.: | SB 557 |
| Version: | INT |
| Request No.: | 583 |
| Author: | Sen. Bice |
| Date: | 01/25/2019 |

Bill Analysis

SB 557 extends the sunset date for the apportionment of gross production tax on oil from June 30, 2019, to June 30, 2023. The current apportionment relates to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund, Oklahoma Conservation Commission Infrastructure Revolving Fund, Community Water Infrastructure Development Revolving Fund, and the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund.

Prepared by: Kalen Taylor

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: 2/21/2019

BILL NUMBER: SB 557 STATUS AND DATE OF BILL: Introduced 1/17/2019

AUTHORS: House n/a Senate Bice

TAX TYPE (S): Gross Production SUBJECT: Apportionment

PROPOSAL: Amendatory

SB 557 proposes to amend 68 § 1004 providing for an extension of the sunset date for apportionment of oil revenues collected at five percent (5%) and seven percent (7%) rates to three funds.

EFFECTIVE DATE: Emergency- July 1, 2019

REVENUE IMPACT:

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

FY 20: \$2,889,000 increase to the Oklahoma Tourism and Recreation
Department Capital Expenditure Revolving Fund
\$2,889,000 increase to the Oklahoma Conservation Commission
Infrastructure Revolving Fund
\$2,889,000 increase to the Community Water Infrastructure
Development Revolving Fund
\$8,666,000 decrease to the Oklahoma Water Resources Board Rural
Economic Action Plan Water Projects Fund

Feb. 21, 2019
DATE

Rick Miller
DIVISION DIRECTOR

kls

2-21-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

2-22-19
DATE

Jonny 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 557 [Introduced] February 21, 2019

SB 557 proposes to amend 68 § 1004 providing for an extension of the sunset date for apportionment of oil revenues collected at the five percent (5%) and seven percent (7%) rates to three funds.

Currently, five percent (5%) and four and twenty-eight one-hundredths percent (4.28%) of monies collected on oil at the five percent (5%) and seven percent (7%) rates, respectively, are paid to the State Treasurer. These monies are apportioned thirty-three and one-third percent (33 1/3%) to the following three funds until June 30, 2019: (1) the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund, (2) the Oklahoma Conservation Commission Infrastructure Revolving Fund and (3) the Community Water Infrastructure Development Revolving Fund. After June 30, 2019, the monies previously apportioned to these three funds will be apportioned to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund. SB 557 proposes to extend the sunset date for apportionment to these three funds from June 30, 2019, until June 30, 2023. Therefore, the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund would not receive these monies until July 1, 2023, instead of beginning July 1, 2019.

Net Revenue Impact
FY 20:

\$2,889,000 increase to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund
\$2,889,000 increase to the Oklahoma Conservation Commission Infrastructure Revolving Fund
\$2,889,000 increase to the Community Water Infrastructure Development Revolving Fund
\$8,666,000 decrease to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund

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

Detail may not add due to rounding.