

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

SB 1157
INT
Sen. Daniels
02/11/2020

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 11, 2020

BILL NUMBER: SB 1157 **STATUS AND DATE OF BILL:** Introduced 12/30/19

AUTHORS: House N/A Senate Rosino

TAX TYPE (S): Aircraft **SUBJECT:** Apportionment

PROPOSAL: Amendatory

SB 1157 proposes to amend 68 O.S. § 6005 modifying aircraft excise tax apportionment and removing apportionment language for prior fiscal years.

EFFECTIVE DATE: Emergency-July 1, 2020

REVENUE IMPACT:

FY 21: \$150,000¹ increase to the Oklahoma Aeronautic Commission Revolving Fund
 \$150,000 decrease to the General Revenue Fund

Feb. 11, 2020
DATE

Rick Miller
DIVISION DIRECTOR

KLS

2/11/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/11/2020
DATE

J. D. L.
FOR THE COMMISSION

The 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 Based on an average of aircraft excise tax revenues received in FY 17, FY 18 and FY 19

ATTACHMENT TO REVENUE IMPACT SB 1157 [Introduced] Prepared February 11, 2020

SB 1157 proposes to amend 68 O.S. § 6005 modifying aircraft excise tax apportionment and removing apportionment language for prior fiscal years.

Currently, the first four million five hundred thousand dollars (\$4,500,000) of aircraft excise tax revenues is apportioned to the Oklahoma Aeronautics Commission Revolving Fund ("OACRF") and any surplus is apportioned to the General Revenue Fund ("GRF"). SB 1157 proposes to remove language regarding apportionment of aircraft excise tax for years prior to FY 2021. Additionally, SB 1157 proposes to apportion one hundred percent (100%) of the revenues derived from aircraft excise tax to the OACRF. This change would alter the apportionment of aircraft excise tax such that it would be the same as fiscal years 2001 through 2015.

Net Revenue Impact of SB 1157

FY 21:

\$150,000² increase to the Oklahoma Aeronautic Commission Revolving Fund

\$150,000 decrease to the General Revenue Fund

In the prior three fiscal years aircraft excise tax collections have totaled thirteen million nine hundred and forty-nine thousand and one hundred and sixty-four dollars and ninety-one cents (\$13,949,164.91)³, averaging four million six hundred and forty-nine thousand and seven hundred and twenty-one dollars and sixty-four cents (\$4,649,721.64)⁴ per year. Under current apportionment law, the first four million five hundred thousand dollars (\$4,500,000) would be apportioned to the OACRF and the remaining one hundred and forty-nine thousand seven hundred and twenty-one dollars and sixty-four cents (\$149,721.64)⁵ would be apportioned to the GRF. The proposed changes in SB 1157 would apportion the excess of one hundred and forty-nine thousand seven hundred and twenty-one dollars and sixty-four cents (\$149,721.64) to the OACRF instead of the GRF. Thus, SB 1157 would result in an increase of one hundred and forty-nine thousand seven hundred and twenty-one dollars and sixty-four cents (\$149,721.64) to the OACRF and the same offsetting decrease to the GRF based on the past three years average aircraft excise tax revenues.

² Based on an average of aircraft excise tax revenues received in FY 17, FY 18 and FY 19

³ (FY 19) \$4,632,902.55 + (FY 18) \$3,683,481.08 + (FY 17) \$5,632,781.28 = \$13,949,164.91

⁴ \$13,949,164.91 ÷ 3 = \$4,649,721.64

⁵ \$4,649,721.64 - \$4,500,000 = \$149,721.64