

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

SB 1196
INT
Sen. Thompson
02/14/2020

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: February 13, 2020

BILL NUMBER: SB 1196 **STATUS AND DATE OF BILL:** Introduced 1/6/2020

AUTHORS: House N/A Senate Thompson

TAX TYPE (S): Other **SUBJECT:** Administration

PROPOSAL: Amendatory

SB 1196 proposes to amend 11 O.S. § 17-107 altering the time frame monthly allocations of gasoline taxes are to be withheld by the Oklahoma Tax Commission for noncompliant municipalities.

EFFECTIVE DATE: Emergency - July 1, 2020

REVENUE IMPACT:

FY 21: -0-

Feb. 13, 2020
DATE

Rick Miller
DIVISION DIRECTOR

KLS

2/13/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/13/2020
DATE

[Signature]
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.

ATTACHMENT TO REVENUE IMPACT – SB 1196 - [Introduced] Prepared 2/13/2020

SB 1196 proposes to amend 11 O.S. § 17-107 altering the time frame monthly allocations of gasoline taxes are to be withheld by the Oklahoma Tax Commission (“OTC”) for noncompliant municipalities.

Currently, if a municipality does not file a copy of its audit within six (6) months after fiscal year end the State Auditor and Inspector shall notify the OTC which shall withhold from the municipality its monthly allocations of gasoline taxes until the audit report is filed. If a report is not filed within two years after the close of the fiscal year the OTC shall remit the funds to the county in which the incorporated city or town is located and deposited to the county highway fund of that county. SB 1196 proposes changing the deadline to one year after the close of the fiscal year. Additionally, HB 3269 proposes requiring the OTC to remit the funds to the Special Investigative Unit Auditing Revolving Fund.

There is no revenue impact associated with this measure.

Administrative Issues

This measure raises the following administrative concerns:

- There are funds currently held by the OTC and this measure does not address how these funds are to be handled.
- Currently, municipalities have six months to file their audits (December following fiscal year end) before the OTC withholds funds. The OTC holds funds for the calendar year following this December deadline. Funds are then released at the end of the next fiscal year, allowing for the two year period to file. If this time period is changed to one year, the OTC will have only withheld the first six months before the funds are to be released. This measure does not address what the OTC is to do with the second six months of withheld funds.

Listed below are the forfeitures to the counties of gas excise tax from municipalities who did not comply with the statutory audit requirements, for the last 5 fiscal years.

Audit Year	Forfeit Year	Amount
2017	2019	\$38,008.61
2016	2018	\$25,204.37
2015	2017	\$47,541.77
2014	2016	\$53,536.94
2013	2015	\$44,264.07
Total		\$208,555.76