

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

SB 1504
INT
Sen. Dahm
02/13/2020

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 10, 2020

BILL NUMBER: SB 1504 **STATUS AND DATE OF BILL:** Introduced Bill 1/15/2020

AUTHORS: House n/a Senate Dahm

TAX TYPE (S): Income Tax **SUBJECT:** Credit

PROPOSAL: New Law

SB 1504 proposes to enact a new, nonrefundable income tax credit to be claimed by a corporation for fees paid on behalf of school personnel designated by a school district to participate in armed security guard training or a reserve peace officer program. Under this proposal, a corporation may claim an annual credit not to exceed \$50,000 for taxable years beginning after December 31, 2020.

EFFECTIVE DATE: November 1, 2020

REVENUE IMPACT:

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

FY 21: Unknown decrease in income tax collections.

FY 22: Unknown decrease in income tax collections.

Feb. 11, 2020
DATE

Rick Miller
DIVISION DIRECTOR

bdf

2/11/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/12/2020
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.

ATTACHMENT TO REVENUE IMPACT: SB 1504 [INTRODUCED] 2/10/2020

SB 1504 proposes to enact a new, nonrefundable income tax credit to be claimed by a corporation for fees paid on behalf of school personnel designated by a school district to participate in armed security guard training or a reserve peace officer program. Under this proposal, a corporation may claim an annual credit not to exceed \$50,000 for taxable years beginning after December 31, 2020.

Currently, the board of education of a school district may designate school personnel who have been issued a handgun license pursuant to the Oklahoma Self-Defense Act to attend an armed security guard training program or a reserve peace officer certification program provided and developed by the Council on Law Enforcement Education and Training (CLEET). The board of education of a school district has final authority to determine and designate the school personnel who will be authorized to obtain and use an armed security guard license or reserve peace officer certification in conjunction with their employment as school personnel.

Approved private security guard training programs and reserve peace officer academies are listed on the CLEET website. Tuition and fees for armed security guard training programs¹ vary by location and range from approximately \$115 to \$685. The average cost is approximately \$391.

Fees to attend a reserve peace officer academy vary by location and range from \$0 to approximately \$300. The average cost is approximately \$150. Participants are generally required to supply their own uniforms, firearms, ammunition and other equipment to be used during training.

District/Site Counts² by the Oklahoma State Department of Education (SDE) report 512 public school districts and 1,802 public school sites in Oklahoma for FY18-19. SDE Certified and Support Counts³ further report 90,508 combined certified and support employees for FY18-19. It is unknown how many schools or school districts have or plan to have armed personnel, and the potential revenue impact of this proposal may vary significantly, depending on participation. See potential participation scenarios in Table 1:

Table 1 - Various Participation Estimates		
Participation Scenarios	Armed Security Guard Training	Reserve Peace Officer Program
One participant per school district	\$ 200,192	\$ 76,800
One participant per school	704,582	270,300
10% of certified and support staff	3,538,863	1,357,620

Because actual participation is unknown, the expected revenue impact of this proposal is an unknown decrease in income tax collections. Some decrease in revenue may occur in FY 21 due to a potential reduction of estimated tax payments; the full impact would occur in FY 22 when the 2021 returns are filed.

¹ CLEET requires armed security guards to complete Phases I, II and IV of security guard training.

² See <https://sde.ok.gov/documents/2017-05-12/districtsite-counts>.

³ https://www.google.com/search?source=hp&ei=h5FBXr6YH8fatQXyiquIDA&q=oklahoma+state+department+of+education&oq=oklahoma+state+department+of+education&gs_l=psy-ab.3..0i10.823.9179..9843...5.0..3.419.8330.13j7j13j8j1.....0....1.gws-wiz.....0i131j0i13j0i22j30.F-OLZSuJrgo&ved=0ahUKEwj-9-f2v8fnAhVHba0KHXLFCsEQ4dUDCA&uact=5#spf=1581355409573.