

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

SB 1563
INT
Sen. Hall
02/20/2020

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 18, 2020

BILL NUMBER: SB 1563 **STATUS AND DATE OF BILL:** Introduced 1/16/2020

AUTHORS: House N/A Senate Hall

TAX TYPE (S): Ad Valorem **SUBJECT:** Other

PROPOSAL: Amendatory

SB 1563 proposes to amend 68 O.S. § 2808 amending the definitions of "transmission company" and "public service corporation" as used in the Ad Valorem Tax Code. SB 1563 amends these definitions to specifically exclude fixed wireless Internet service companies that operate over Federal Communications Commission unlicensed frequencies.

EFFECTIVE DATE: January 1, 2021

REVENUE IMPACT:

FY 21: \$350,000 decrease in local Ad Valorem tax revenues

Feb. 19, 2020
DATE

Rick Miller
DIVISION DIRECTOR

KLS

2/19/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/19/2020
DATE

Quinn O'Neil
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 1563 [Introduced] Prepared February 18, 2020

SB 1563 proposes to amend 68 O.S. § 2808 amending the definitions of “transmission company” and “public service corporation” as used in the Ad Valorem Tax Code. SB 1563 amends these definitions to specifically exclude fixed wireless Internet service companies that operate over Federal Communications Commission unlicensed frequencies.

Currently, “transmission company” and “public service corporation” shall not include cable television companies. SB 1563 proposes to also exclude fixed wireless Internet service companies that operate over Federal Communications Commission unlicensed frequencies from the definitions of “transmission company” and “public service corporation” for purposes of the Ad Valorem Tax Code. Companies that fall within the proposed exclusion currently pay the public service assessment rate of twenty-two and eighty-five one-hundredths percent (22.85%). Under the proposed changes in SB 1563 these companies would pay locally assessed real and personal property tax rate between ten percent (10%) and fifteen percent (15%). The Ad Valorem Division of the Oklahoma Tax Commission estimates that this will result in a decrease of approximately three hundred and fifty thousand dollars (\$350,000) in revenue to local jurisdictions.