

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 26, 2020

BILL NUMBER: SB 1816 STATUS AND DATE OF BILL: Introduced 1/16/2020

AUTHORS: House n/a Senate Scott

TAX TYPE (S): Income Tax SUBJECT: Administrative

PROPOSAL: Repealer

SB 1816 proposes to repeal 68 O.S. 238.1, which relates to state license holders and income tax compliance. Current law provides that the Tax Commission notify the licensee that their license will not be renewed until said licensee is compliant with Oklahoma income tax law and requires the licensing entity to not reissue a state license until the licensee becomes state income tax compliant.

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: Projected decrease in state income tax revenue of \$7.8 million.

FY 22: Projected decrease in state income tax revenue of \$11.7 million.

Feb. 26, 2020
DATE

Rick Miller
DIVISION DIRECTOR

lrh

2/26/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/26/2020
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 1816 [Introduced] Prepared: 2/26/20

SB 1816 proposes to repeal 68 O.S. 238.1, which relates to state license holders and income tax compliance. Current law provides that the Tax Commission notify the licensee that their license will not be renewed until said licensee is compliant with Oklahoma income tax law and requires the licensing entity to not reissue a state license until the licensee becomes state income tax compliant.

In FY18, the Tax Commission notified 29,970 licensees that compliance could not be determined. A breakdown of the notifications is as follows:

Return Status	Count	Amount
No Return/Missing Return	21,796	\$ -
Return Filed With a Balance Due	5,656	12,611,955.17
Missing Return and Balance Due For Another Tax Period	2,518	4,930,617.86
Totals	29,970	\$ 17,542,573.03

As a result of these efforts, the Tax Commission collected \$11.7 million from delinquent licensees.

The revenue impact of this proposal is a potential decrease of revenue of \$7.8 million in FY21 (November 2020 through June 2021) and \$11.7 million in FY22.