

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 30, 2021

BILL NUMBER: HB 2297 STATUS AND DATE OF BILL: Engrossed Bill 3/8/2021

AUTHORS: House Roberts (Dustin) & Miller Senate Hall

TAX TYPE (S): Ad Valorem SUBJECT: Other

PROPOSAL: Amendatory

HB 2297 proposes amending 68 O.S. § 2808 adding the definitions of “fixed wireless Internet service provider” and amending the definition of “transmission company” and “public service corporation” as used in the Ad Valorem Tax Code.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

FY 22: \$350,000 decrease in local Ad Valorem tax revenues

Mar. 30, 2021
DATE

Rick Miller
DIVISION DIRECTOR

KLS

3/30/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/30/21
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 HB 2297 [Engrossed] Prepared March 30, 2021

HB 2297 proposes amending 68 O.S. § 2808 adding the definitions of “fixed wireless Internet service provider” and amending the definition of “transmission company” and “public service corporation” as used in the Ad Valorem Tax Code.

HB 2297 proposes to create new language defining “fixed wireless Internet service provider” as an entity that solely offers access to the Internet through a stationary fixed point-to-point connection often requiring direct line of sight between the provider’s wireless transmitter and its end-user consumer’s receiver.

Currently, “transmission company” and “public service corporation” shall not include cable television companies. HB 2297 proposes to also exclude fixed wireless Internet service providers 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 HB 2297 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 \$350,000 in revenue to local jurisdictions.