

# OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: April 26, 2022

BILL NUMBER: HB 3082 STATUS AND DATE OF BILL: Committee Substitute 04/13/2022

AUTHORS: House Bashore Senate Howard

TAX TYPE (S): Ad Valorem SUBJECT: Valuation

PROPOSAL: Amendatory

Section 1 proposes amendment to Section 2808 of Title 68 defining broadband service providers to mean a subclass of public service corporations consisting of any public service corporation offering broadband-based services including Internet access, Voice over Internet Protocol, and Internet Protocol television, to end user consumers.

Section 2 proposes amendment to Section 2847 of Title 68 to provide that the State Board of Equalization shall assess the property of that subclass of public service corporations known as broadband service providers, as defined in Section 2808 at a ratio of 16%.

EFFECTIVE DATE: January 1, 2023

### REVENUE IMPACT:

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

FY 23: None

FY 24: See attached

Apr. 26, 2022  
DATE

Rick Miller  
DIVISION DIRECTOR

cjc

4/26/2022  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

4/27/2022  
DATE

Joseph P. Hays  
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 FISCAL IMPACT HB 3082 [Committee Substitute] Prepared 04/26/2022**

Section 1 proposes amendment to Section 2808 of Title 68 defining broadband service providers to mean a subclass of public service corporations consisting of any public service corporation offering broadband-based services including Internet access, Voice over Internet Protocol, and Internet Protocol television, to end user consumers.

Section 2 proposes amendment to Section 2847 of Title 68 to provide that the State Board of Equalization shall assess the property of that subclass of public service corporations known as broadband service providers, as defined in Section 2808 at a ratio of 16%.

For tax year 2021, the State Board of Equalization certified 123 telecommunication companies of which one hundred of these companies have some component of broadband services. The proposed language could potentially cause all property of these companies currently assessed at 22.85% to be subject to a 16% assessment ratio. Furthermore, the Tax Commission has no available information in which to identify/segregate broadband service property from other property of the company. The difference in estimated tax dollars for the 100 companies derived from the current 22.85% assessment rate to the proposed 16% assessment rate is 13,439,872. The measure proposes an effective date of January 1, 2023. A loss of \$13,439,872 property tax revenues to local jurisdictions is estimated for FY 24.

	<b>Taxable Fair Cash Value</b>	<b>Current Assessed Value @ 22.85%</b>	<b>Proposed Assessed Value @ 16%</b>	<b>Difference</b>	<b>% Change</b>
<b>Telecommunication Companies from 2021 Tax Year offering Broadband Services</b>	1,873,591,685	428,115,697	299,774,670	<b>128,341,027</b>	<b>29.98%</b>
- The difference in assessed value from the current 22.85% assessment rate to the proposed 16% assessment rate is 128,341,027. This is a percentage change of 29.98%					
<b>Estimated Tax Dollars (@ 104.72 State Mill Rate of Assessed Value)</b>		44,832,276	31,392,403	<b>13,439,872</b>	<b>29.98%</b>