

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: 3/22/2022

BILL NUMBER: SB1262 **STATUS AND DATE OF BILL:** Engrossed 3/21/2022

AUTHORS: House Townley Senate Coleman

TAX TYPE (S): Sales **SUBJECT:** Apportionment

PROPOSAL: Amendatory

The measure proposes amending 68 O.S. § 1353, by altering the maximum amount limitation to be apportioned to Oklahoma Tourism Promotion Revolving Fund in steps.

EFFECTIVE DATE: November 1, 2022

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: No change to sales tax collections. One Million Dollar decrease to General Revenue Fund with One Million Dollar Increase to the Oklahoma Tourism Promotion Revolving Fund.

Mar. 23, 2022
DATE

Rick Miller
DIVISION DIRECTOR

mg

3/23/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/28/2022
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 SB1262 [Engrossed] Prepared: 3/22/2022

SB1262 proposes amending 68 O.S. § 1353, by altering the maximum amount limitation to be apportioned to Oklahoma Tourism Promotion Revolving Fund in steps.

Under current law, after as provided in subsection D of 68 O.S. § 1353, sales tax revenue is apportioned as follows:

- 83.36% to General Revenue Fund.
- 10.46% to Education Reform Revolving Fund.
- 5.25% to Teachers Retirement System Dedicated Revenue Revolving Fund
- 0.87% to State Treasurer to be apportioned to:
 - Oklahoma Tourism Promotion Revolving Fund at 36% not to exceed 5 million in any fiscal year.
 - Oklahoma Tourism Capital Improvement Revolving Fund at 64% not to exceed 9 million in any fiscal year.
 - Any excess amount is apportioned to General Revenue Fund.
- 0.06% to Oklahoma Historical Society Capital Improvement and Operation Revolving Fund, but such apportionment may not exceed the total amount apportioned to the fund in the fiscal year ending on June 30, 2015. Any excess amount is apportioned to General Revenue Fund.

Subsection D of 68 O.S. § 1353, for the fiscal year 2023 and subsequent fiscal years before any other required apportionment is made to the General Revenue Fund, provides for the apportionment of sales tax revenue to the State Public Common School Building Equalization Fund an amount, if any, as required pursuant to 70 O.S. § 3-104, not to exceed the state sales tax generated by medical marijuana sales in the preceding fiscal year, as reported by the Oklahoma Tax Commission.

Under this measure, the apportionment amount to Oklahoma Tourism Promotion Revolving Fund cannot exceed \$5,000,000 in the fiscal year beginning July 1, 2022, and previous fiscal years, \$6,000,000 in the fiscal year beginning July 1, 2023, \$6,500,000 in the fiscal year beginning July 1, 2024, and \$7,500,000 in the fiscal year beginning July 1, 2025, and subsequent fiscal years. Assuming FY23 state sales tax revenue forecast of \$3,012,095,000¹ for all subsequent fiscal years, even after all the estimated sales tax attributable to Medical Marijuana sales are apportioned to the State Public Common School Building Equalization Fund, there will be an increase in the amount allocated to the Oklahoma Tourism Promotion Revolving Fund from FY24 to FY26 with a decrease in allocation to General Revenue Fund as follows:

<u>Change to the FY Apportionment</u>		
	General Revenue Fund	Oklahoma Tourism Promotion Revolving Fund
FY2023	0	0
FY2024	-\$1,000,000	+\$1,000,000
FY2025	-\$1,500,000	+\$1,500,000
FY2026	-\$2,500,000	+\$2,500,000

This measure will have no net revenue impact on the collection of sales tax to the state.

¹ Based on revenue forecast for FY23 prepared for the Office of Management and Enterprises Services by the Oklahoma Tax Commission – February 15, 2022.