

# OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: 1/28/2022

BILL NUMBER: SB1479 STATUS AND DATE OF BILL: Introduced 1/20/2022

AUTHORS: House N/A Senate Jech

TAX TYPE (S): Gross Production SUBJECT: Apportionment

PROPOSAL: Amendatory.

The measure proposes amending 68 O.S. § 1004, by extending the sunset date for the apportionment of gross production tax revenue from oil collected at five percent (5%) and seven percent (7%) rates to certain funds from June 30, 2022 to June 30, 2027.

EFFECTIVE DATE: Emergency July 1, 2022

### REVENUE IMPACT:

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

FY23: No change to gross production tax collections. See attached for changes to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund, Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund, Oklahoma Conservation Commission Infrastructure Revolving Fund, and Community Water Infrastructure Development Revolving Fund.

Jan. 31, 2022  
DATE

Rick Miller  
DIVISION DIRECTOR

mg

1/31/2022  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

2/4/2022  
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 FISCAL IMPACT-SB 1479 [Introduced] prepared: 1/28/2022**

SB 1479 proposes to amend 68 § 1004 providing for an extension of the sunset date for apportionment of oil revenues collected at the five percent (5%) and seven percent (7%) rates to three funds.

Currently, five percent (5%) and four and twenty-eight one-hundredths percent (4.28%) of monies collected on oil at the five percent (5%) and seven percent (7%) rates, respectively, are paid to the State Treasurer. These monies are apportioned thirty-three and one-third percent (33 1/3%) to the following three funds until June 30, 2022: (1) the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund, (2) the Oklahoma Conservation Commission Infrastructure Revolving Fund and (3) the Community Water Infrastructure Development Revolving Fund. After June 30, 2022, the monies previously apportioned to these three funds will be apportioned to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund. SB 1479 proposes to extend the sunset date for apportionment to these three funds from June 30, 2022, until June 30, 2027. Therefore, the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund would not receive these monies until July 1, 2027, instead of beginning July 1, 2022.

### **Net Revenue Impact<sup>1</sup>**

FY23:

\$9,008,000 decrease to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund

\$3,003,000 increase to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund

\$3,003,000 increase to the Oklahoma Conservation Commission Infrastructure Revolving Fund

\$3,003,000 increase to the Community Water Infrastructure Development Revolving Fund

There is no net revenue impact on collections of Gross Production Tax Revenue as a result of this measure.

Details may not add due to rounding allocation.

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<sup>1</sup> Based on apportionment forecast for FY23 prepared for the Office of Management and Enterprises Services by the Oklahoma Tax Commission – December 14, 2021.