

**OKLAHOMA TAX COMMISSION**

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

**DATE OF IMPACT STATEMENT:** 2/11/2022

**BILL NUMBER:** SB1665 **STATUS AND DATE OF BILL:** Introduced 1/20/2022

**AUTHORS:** House N/A Senate Murdock

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

**PROPOSAL:** New Law and Amendatory.

This measure proposes to create Low Income Adult Medicaid Fund codified as 63 O.S. § 5020B. Further, this measure proposes amending 68 O.S. § 1353, which relates to sales tax by providing an apportionment to Low Income Adult Medicaid Fund.

**EFFECTIVE DATE:** July 1, 2022- Emergency

**REVENUE IMPACT:**

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

FY 23: No change to sales tax collections.

Feb. 12, 2022  
DATE

Rick Miller  
DIVISION DIRECTOR

mg

2/12/2022  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

2/14/2022  
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 SB1665 [Introduced] Prepared: 2/11/2022**

SB1665 proposes to create Low Income Adult Medicaid Fund codified as 63 O.S. § 5020B. Further, this measure proposes amending as 68 O.S. § 1353, which relates to sales tax by providing an apportionment to Low Income Adult Medicaid Fund.

**Section 1** of this measure proposes to create Low Income Adult Medicaid Fund codified as 63 O.S. § 5020B. The fund may be budgeted and expended by Oklahoma Health Care Authority for providing medical assistance under Oklahoma's Medicaid program to Low Income Adults as provided in 25-A O.S. § 2.

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 ("GRF").
- 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 Capital Improvement 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 GRF.
- 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 GRF.

From the fiscal year 2023 and each subsequent fiscal year subsection D of 68 O.S. § 1353 provides that before any other required apportionment from sales tax is made to the GRF, there shall be an apportionment 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 ("MMJ") sales in the preceding fiscal year, as reported by the Oklahoma Tax Commission.

**Section 2** of this measure proposes for the month beginning July 1, 2022, and each subsequent month that before any other required apportionment from sales tax is made to the GRF, there shall be an apportionment monthly to the Low Income Adult Medicaid Fund, an amount equal to 32.15% of the revenue derived in the preceding month from sales tax collected on MMJ in the preceding month. With this new subsection added to 68 O.S. § 1353, sales tax money to be apportioned per this new subsection will reduce the amount going to the credit of the GRF. However, with subsection D already directing apportionment "not to exceed the state sales tax generated by medical marijuana sales in the preceding fiscal year" to the State Public Common School Building Equalization Fund, with no cap given, there is no estimate of how much current sales tax coming from the sale of MMJ is available for this measure, unless the sales tax to be used to fund this measure is not to come directly from the MMJ sales tax. Therefore, with the language given in the proposed section of this measure, it is not possible to administer the change, unless these funding dollars are to come from the general state sales tax dollars.

There is no change to sales tax collections with this measure.