

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 23, 2022

BILL NUMBER: SB 258

STATUS AND DATE OF BILL: Engrossed 03/22/2022

AUTHORS: House Echols

Senate Rosino

TAX TYPE (S): Aircraft Excise Tax

SUBJECT: Apportionment

PROPOSAL: Amendatory

The measure amends 68 O.S. § 6005 by modifying aircraft excise tax apportionment and removing apportionment language for prior fiscal years.

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.

FY 23: None

Mar. 23, 2022

DATE

Rick Miller

DIVISION DIRECTOR

msm

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 SB 258 [Engrossed] Prepared 03/23/2022

The measure proposes to amend 68 O.S. § 6005 by modifying aircraft excise tax apportionment and removing apportionment language for prior fiscal years.

Currently, the first \$4,500,000 of aircraft excise tax revenues is apportioned to the Oklahoma Aeronautics Commission Revolving Fund (“OACRF”) and any surplus is apportioned to the General Revenue Fund (“GRF”). SB 258 proposes to remove language regarding apportionment of aircraft excise tax for years prior to FY 2023. Additionally, SB 258 proposes to apportion 100% of the revenues derived from aircraft excise tax to the OACRF beginning in FY 23. This change would alter the apportionment of aircraft excise tax such that it would be the same as fiscal years 2001 through 2015.

In the prior three fiscal years, aircraft excise tax collections have totaled roughly \$11,915,000¹, averaging \$3,972,000² per year. Under current apportionment law, the first \$4,500,000 threshold would not be met for FY 23³, thus no excess monies would be apportioned to the GRF. The proposed changes in SB 258 will only have an impact if aircraft excise tax collections exceed \$4,500,000. This measure is revenue neutral and any impact associated with aircraft excise tax collections in excess of \$4,500,000 will be revenue net neutral between the OACRF and the GRF. There is no administrative impact associated with SB 258.

¹ (FY 21) 4,207,079 + (FY 20) \$3,075,053 + (FY 19) \$4,632,903 = \$11,915,035 rounded to \$11,915,000.

² \$11,915,000 ÷ 3 = \$3,971,667 rounded to \$3,972,000.

³ Based on an average of aircraft excise tax revenues received in FY 19, FY 20, & FY 21.