

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: February 13, 2021

BILL NUMBER: SB 472 **STATUS AND DATE OF BILL:** Introduced 1/19/21

AUTHORS: House N/A Senate Daniels

TAX TYPE (S): Workers' Compensation **SUBJECT:** Apportionment

PROPOSAL: Amendatory

SB 472 proposes amendment to 85A O.S. §122 modifying the apportionment of monies collected regarding workers' compensation insurance premium tax. Additionally, this measure amends 85A O.S. § 400 regarding Workers' Compensation Court Judges, with no impact to the Oklahoma Tax Commission.

EFFECTIVE DATE: Emergency-July 1, 2021

REVENUE IMPACT:

FY 22: See attached analysis.

February 22, 2021

DATE

Rick Miller

DIVISION DIRECTOR

KLS

2/22/2021

DATE

Huan Gong

HUAN GONG, ECONOMIST

2/22/21

DATE

[Signature]

FOR THE COMMISSION

The estimated 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 472 [Introduced] Prepared February 13, 2021

SB 472 proposes amendment to 85A O.S. §122 modifying the apportionment of monies collected regarding workers' compensation insurance premium tax. Additionally, this measure amends 85A O.S. § 400 regarding Workers' Compensation Court Judges, with no impact to the Oklahoma Tax Commission.

Under current law, the monies collected under 85A O.S. § 122 for FY22 are apportioned as follows: the first \$4,000,000 to the Workers' Compensation Commission Revolving Fund and all additional monies to the Multiple Injury Trust Fund. SB 472 proposes modification to the apportionment of these monies for FY22 as follows: the first \$4,000,000 to the Workers' Compensation Commission Revolving Fund, then \$1,750,000 to the Workers' Compensation Administration Fund, with any remaining funds credited to the Multiple Injury Trust Fund.

In FY20 collections under 85A O.S. §122 were approximately \$6,900,000. Assuming similar collections and the changes SB 472 proposes, in FY22 \$4,000,000 would be apportioned to the Workers' Compensation Commission Revolving Fund and \$1,750,000 would be apportioned to the Workers' Compensation Administration Fund and \$1,150,000 would be apportioned to the Multiple Injury Trust Fund. Thus, for FY22 this measure would result in a decrease of \$1,750,000 to the Multiple Injury Trust Fund and an increase of \$1,750,000 to the Workers' Compensation Commission Administration Fund. This revenue impact is net neutral.

Net Revenue Impact of SB 472

FY 22:

Increase of \$1,750,000 to the Workers' Compensation Administration Fund

Decrease of \$1,750,000 to the Multiple Injury Trust Fund