

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** February 12, 2021

**BILL NUMBER:** SB 592 **STATUS AND DATE OF BILL:** Introduced 1/20/21

**AUTHORS:** House n/a Senate Montgomery

**TAX TYPE (S):** Income **SUBJECT:** Tax Anticipation Notes

**PROPOSAL:** New Law

SB 592 proposes to enact a new law which allows the State Treasurer to implement a program to issue tax anticipation notes to certain taxpayers<sup>1</sup>. The value of the tax anticipation notes shall be used to deduct liability against Oklahoma income tax. The maximum value of outstanding tax anticipation notes issued by the State Treasurer may not exceed \$25,000,000.

**EFFECTIVE DATE:** November 1, 2021

### REVENUE IMPACT:

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

FY 22: Unknown.

FY 23: Unknown.

Feb. 13, 2021

DATE

Rick Miller

DIVISION DIRECTOR

mck

2/13/2021

DATE

Huan Gong

HUAN GONG, ECONOMIST

2/13/21

DATE

Jay Doyle

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.*

<sup>1</sup> Taxpayers as defined in 68 O.S. § 1352 which is defined as any person liable to pay a tax imposed by the Oklahoma Sales Tax Code.

## **ATTACHMENT TO REVENUE IMPACT: SB 592 [Introduced] Prepared 2/12/21**

SB 592 proposes to enact a new law which allows the State Treasurer to implement a program to issue tax anticipation notes to certain taxpayers. The value of the tax anticipation notes shall be used to deduct liability against Oklahoma income tax. The maximum value of outstanding tax anticipation notes issued by the State Treasurer may not exceed \$25,000,000.

The features of the proposed tax anticipations notes:

- have a maturity of up to 3 years
- are issued in increments of \$1,000
- the spread between the discount purchase price and the par value of income tax liability deduction for a tax anticipation note shall be determined by the State Treasurer and shall not exceed the percentage rate of the daily ten-year-Treasury-yield curve rate published by the United States Department of the Treasury at the date of issuance
- revenues collected through the issuance of tax anticipation notes shall be placed in the General Revenue Fund

Unknown change in income tax revenue is expected as a result of this proposal.