

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 14, 2021

BILL NUMBER: SB 906 STATUS AND DATE OF BILL: Introduced 01/21/2021

AUTHORS: House n/a Senate Murdock

TAX TYPE (S): Ad Valorem SUBJECT: Other

PROPOSAL: Amendatory

The measure proposes amendment to Section 2817 of Title 68 of the Oklahoma Statutes by providing that if any inventory on hand of persons primarily engaged in selling lumber and other building materials¹ has been assessed in the preceding calendar year, such inventory shall be considered stagnant and the value of such inventory shall be depreciated by fifty percent for purposes of the current year assessment.

EFFECTIVE DATE: January 1, 2022

REVENUE IMPACT:

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

FY 22: None

FY 23: Unknown loss in local ad valorem tax revenues

February 15, 2021

DATE

Rick Miller

DIVISION DIRECTOR

cjc

2/15/2021

DATE

Huan Gong

HUAN GONG, ECONOMIST

2/16/21

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.

¹ Excludes home centers classified under Industry No. 444110 of the North American Industrial Classification System (NAICS) Manual.

ATTACHMENT TO REVENUE IMPACT–SB 906 - [Introduced] Prepared 02/14/2021

The measure proposes amendment to Section 2817 of Title 68 of the Oklahoma Statutes by providing that if any inventory on hand of persons primarily engaged in selling lumber and other building materials² has been assessed in the preceding calendar year, such inventory shall be considered stagnant and the value of such inventory shall be depreciated by fifty percent for purposes of the current year assessment.

No state revenues are impacted by this measure. For the described entities, the proposed depreciation in the value of inventory deemed stagnant for purposes of personal property tax assessment will result in a reduction in local ad valorem tax revenues, the extent of which is unknown.

² Excludes home centers classified under Industry No. 444110 of the North American Industrial Classification System (NAICS) Manual.