

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 7, 2024

BILL NUMBER: HB 3352 **STATUS AND DATE OF BILL:** Engrossed 3/7/2024

AUTHORS: House: Marti Senate: Gollihare

TAX TYPE(S): Mixed Beverage **SUBJECT:** Other

PROPOSAL: New Law

The measure removes the bonding requirements of the Oklahoma Tax Commission (OTC) for any entity that has been issued a license from the ABLE Commission and remained in compliance for ten (10) years or more. The measure also allows the OTC to reinstate the bonding requirements if the entity becomes non-compliant or delinquent after the 10-year period.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:

FY 25: Potential unknown decrease in mixed beverage tax revenues.

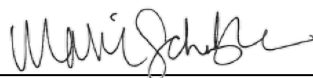
FY 26: Potential unknown decrease in mixed beverage tax revenues.

Administrative Impact:

FY 25: \$15,000

2/6/24

DATE



MARIE SCHUBLE, DIVISION DIRECTOR

msm

1/31/24

DATE

Huan Gong

HUAN GONG, ECONOMIST

4/1/2024

DATE

Joseph P. Gappa

JOSEPH P. GAPPA, 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 – [HB 3352] Prepared: [January 30, 2024]

CURRENT LAW:

Pursuant to 37A O.S. § 134, ABLE licensees applying for mixed beverage accounts with the OTC are required to furnish a bond in the minimum amount of \$1,500. The OTC is also allowed to increase the amount of surety by 3 times the licensees estimated quarterly receipts. If the licensee has remained in compliance for 4 years, the OTC is not allowed to increase the amount of surety, unless the licensee becomes non-compliant.

PROPOSED AMENDMENTS:

The measure removes the bonding requirements of the OTC for any entity that has been issued a license from the ABLE Commission and remained in compliance for 10 years or more. The measure also allows the OTC to reinstate the bonding requirements if the entity becomes non-compliant or delinquent after the 10-year period.

ANTICIPATED IMPACT:

If a mixed beverage licensee has remained in compliance for 10 years and their bond, which has been increased to the maximum amount in the first 4 years of operation, is returned to them, then there is no impact. However, if the licensee becomes non-compliant and closes with balances or delinquencies, and collection/audit responses become exhausted before a new surety is furnished to the OTC, then an unknown decrease in mixed beverage tax revenues may occur. Therefore, the measure may result in an unknown decrease of mixed beverage tax revenues for FY 25 and FY 26.

ADMINISTRATIVE IMPACT:

The measure will require reprogramming of specific tax databases resulting in a one-time administrative cost of \$15,000.