

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** March 8, 2024

**BILL NUMBER:** HB 3504      **STATUS AND DATE OF BILL:** Engrossed 3/7/24

**AUTHORS:** House: Sneed and Archer      Senate: Rogers

**TAX TYPE(S):** Income Tax      **SUBJECT:** Credit

**PROPOSAL:** New Law

Engrossed HB 3504 proposes to create the Oklahoma Feral Hog Trapping Tax Credit Act, which allows a 70% income tax credit for the cost of qualified expenses to control and manage feral hog populations, minimize agricultural damage caused by feral hogs, and mitigate ecological impacts caused by feral hogs, effective for tax year 2025 and subsequent tax years.

**EFFECTIVE DATE:** November 1, 2024

### REVENUE IMPACT:

Based on information received from the Oklahoma Department of Agriculture, Food and Forestry, damage reports were submitted from approximately 1,150 properties encompassing roughly 2.6 million acres for a total reported damage of \$5.4 million for FY 2023. This analysis assumes similar activity for tax year 2025.

**FY 25: Estimated decrease of \$1.5 million in income tax revenue.**

**FY 26: Estimated decrease of \$3.8 million in income tax revenue.**

3/11/24

DATE



MARIE SCHUBLE, DIVISION DIRECTOR

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3/11/24

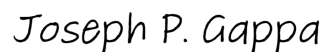
DATE



HUAN GONG, ECONOMIST

3/11/2024

DATE



JOSEPH 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.***

***PROPOSED NEW LAW:***

Engrossed HB 3504 proposes to create the Oklahoma Feral Hog Trapping Tax Credit Act, which allows a 70% income tax credit for the cost of qualified expenses to control and manage feral hog populations, minimize agricultural damage caused by feral hogs, and mitigate ecological impacts caused by feral hogs, effective for tax year 2025 and subsequent tax years.

A natural person who claims the credit must own an aggregate of at least 20 acres of land and submit a Schedule F filed with the federal income tax return for either the same taxable year that the credit is claimed or for the most recent federal income tax return filed.

A lawfully recognized business entity who claims the credit must hold title to real property used primarily for agricultural purposes and own an aggregate of at least 20 acres of land. An entity engaged in the business of hunting, trapping, or eradicating feral hogs for a fee may not claim the proposed credit.

***ANTICIPATED IMPACT:***

Based on information received from the Oklahoma Department of Agriculture, Food and Forestry, damage reports were submitted from approximately 1,150 properties encompassing roughly 2.6 million acres for a total reported damage of \$5.4 million for FY 2023. Assuming similar activity for tax year 2025, an estimated decrease of \$1.5 million in income tax revenue may be expected for FY 2025,<sup>1</sup> and an estimated decrease of \$3.8 million may be expected for FY 2026.

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<sup>1</sup> Withholding and estimated tax payments may be expected to decrease, beginning for FY 2025.