

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 18, 2024

BILL NUMBER: SB 1412

STATUS AND DATE OF BILL: Introduced 12/15/23

AUTHORS: House: n/a Senate: Burns

TAX TYPE (S): Sales and Use Tax

SUBJECT: Apportionment

PROPOSAL: Amendatory

The measure proposes to amend 68 O.S. §§ 1353 and 1403¹ by incrementally decreasing the percentage of sales and use tax revenues apportioned to the General Revenue Fund and increasing the percentage apportioned to various Tourism funds, beginning in FY 25. SB 1412 further proposes to change the apportionment formulas for the various Tourism funds and to remove the cap on sales tax revenues apportioned to the Historical Society Capital Improvement and Operations Fund,² beginning in FY 25.

EFFECTIVE DATE: Emergency- July 1, 2024

REVENUE IMPACT:


SB 1412 will have no impact on tax revenue but will change the allocation of funds (see attachment). As proposed, for FY 28 and beyond, 0.25% of revenue is unaccounted for in the appropriation formula under 68 O.S. §§ 1353 and 1403.

FY 25: None.

FY 26: None.

1/19/24

DATE


MARIE SCHUBLE, DIVISION DIRECTOR

caj

1/18/24

DATE

Huan Gong
HUAN GONG, ECONOMIST

1/31/2024

DATE

Joseph P. Gappa
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.

¹ Page 4, line 9 of SB 1412 strikes, "fiscal year beginning July 1, 2022" and replaces it with "fiscal years 2022..."; rather, the new amendatory language should read, "fiscal years 2023...".

² Use tax revenues apportioned to the Historical Society Capital Improvement and Operations Fund remain capped under 68 O.S. § 1403.

ATTACHMENT TO REVENUE IMPACT – SB 1412 [Introduced] Prepared: [1/18/24]

In the two tables below is a summary of current apportionments and proposed changes to apportionments under SB 1412.

Table 1: Apportionment to various funds under 68 O.S. §§ 1353 (sales tax) and 1403 (use tax), under current law and as proposed in SB 1412:

| | FY 24 | FY 25 | FY 26 | FY 27 | FY 28+ |
|--|--|--|--------------|--------------|--------------|
| 68 O.S. 1353-A.1 and 1403-A.1: General Revenue Fund (current) | 83.36 | 83.36 | 83.36 | 83.36 | 83.61 |
| <i>Proposed</i> | <i>n/a</i> | <i>82.73</i> | <i>82.23</i> | <i>81.73</i> | <i>81.23</i> |
| 68 O.S. 1353-A.4.a and 1403-A.4.a: State Treasurer to be further apportioned (current) | 0.87 | 0.87 | 0.87 | 0.87 | 0.87 |
| <i>Proposed</i> | <i>n/a</i> | <i>1.5</i> | <i>2.0</i> | <i>2.5</i> | <i>3.0</i> |
| 68 O.S. 1353-A.5 and 1403-A.5: Oklahoma Historical Society Capital Improvement Fund (current) | 0.06 annually, capped each year at FY 15 level (Sales Tax Cap: \$1,449,390, Use Tax Cap: \$146,562), excess to GRF | | | | |
| <i>Proposed</i> | <i>N/A</i> | <i>0.06, removes cap under section 1353 only</i> | | | |
| Other funds appropriated under 1353 and 1403 | No change | | | | |

Table 2: Apportionment formulas for funds under 68 O.S. §§ 1353-A.4 (sales tax) and 1403-A.4 (use tax), under current law and as proposed in SB 1412. All proposed changes begin in FY 25:

| | Amount | Cap | Excess |
|---|----------------------------|--------------------------|---------------|
| 1353-A.4.a(1): Oklahoma Tourism Promotion Revolving Fund (current) | 24% | \$5 million | To GRF |
| <i>Proposed</i> | <i>36%</i> | <i>None</i> | <i>None</i> |
| 1403-A.4.a(1): Oklahoma Tourism Promotion Revolving Fund (current) | 36% | FY 15 cap (\$757,235.89) | To GRF |
| <i>Proposed</i> | <i>36%</i> | <i>None</i> | <i>None</i> |
| 1353-A.4.a(2): Oklahoma Tourism Capital Improvement Fund (current) | 44% | \$9 million | To GRF |
| <i>Proposed</i> | <i>64%</i> | <i>None</i> | <i>None</i> |
| 1403-A.4.a(2): Oklahoma Tourism Capital Improvement Fund (current) | 64% | FY 15 cap (\$1,367,910) | To GRF |
| <i>Proposed</i> | <i>64%</i> | <i>None</i> | <i>None</i> |
| 1353-A.4.a(3): Route 66 Commission Revolving Fund (current) | 32% | \$6.6 million | To GRF |
| <i>Proposed</i> | <i>First \$6.6 million</i> | <i>n/a</i> | <i>n/a</i> |