

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 17, 2023

BILL NUMBER: SB 132 **STATUS AND DATE OF BILL:** Introduced 1/4/2023

AUTHORS: House n/a Senate Bergstrom

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

PROPOSAL: Amendatory

SB 132 proposes to amend 68 O.S. § 238.1, which requires a person holding a state license to be in compliance with Oklahoma income tax laws. This proposal excludes the Oklahoma Board of Nursing from licensing entities that must provide the Oklahoma Tax Commission a list of all its licensees, and allows the Oklahoma Board of Nursing to renew or reissue a license, certificate, registration, permit, approval, or other similar document to a person who is not in compliance with Oklahoma income tax laws.

EFFECTIVE DATE: November 1, 2023

REVENUE IMPACT:

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

FY 24: Estimated decrease in income tax revenue of \$933,000.

FY 25: Estimated decrease in income tax revenue of \$1.4 million.

Jan. 20, 2023
DATE

Rick Miller
DIVISION DIRECTOR

bf

1/25/2023
DATE

Huan Gong
HUAN GONG, ECONOMIST

1/31/2023
DATE

Joseph P. Gaypa
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 - SB 132 [Introduced] Prepared 1/17/2023

SB 132 proposes to amend 68 O.S. § 238.1, which requires a person holding a state license to be in compliance with Oklahoma income tax laws. This proposal excludes the Oklahoma Board of Nursing from licensing entities that are required to provide the Oklahoma Tax Commission (OTC) a list of all licensees, and allows the Oklahoma Board of Nursing to renew or reissue a license, certificate, registration, permit, approval, or other similar document to a person who is not in compliance with Oklahoma income tax laws.

Currently, each licensing entity must provide the OTC a list of all its licensees and any required identifying information. The OTC must provide notification to any licensee who is not in compliance with Oklahoma income tax laws, including a statement that the licensee's license will not be renewed or reissued until the taxpayer is deemed by the OTC to be in compliance with Oklahoma income tax laws. If a licensee does not respond to such notification or fails to come into compliance with Oklahoma income tax laws after an assessment has been made final or after the OTC determines that every reasonable effort has been made to assist the licensee to come into compliance, the OTC will notify the applicable licensing agency, which shall not renew or reissue the licensee's license at such time it is subject to renewal or thereafter and will notify the applicant of the reason for nonrenewal or failure to reissue.

For FY 2022, the OTC notified 3,473 Oklahoma Nursing Board licensees that compliance could not be determined:

Return Status	Count	Amount
No Return/Missing Return	2,201	\$ -
Return Filed with a Balance Due	926	1,789,207.73
Missing Return and Balance Due for Another Tax Period	346	743,525.85
<i>Totals</i>	3,473	\$ 2,532,733.58

As a result of these efforts, the OTC collected approximately \$1.4 million from delinquent licenses for FY 2022. Assuming similar activity, the revenue impact of this proposal is an estimated decrease of \$933,000 for FY 2024 (November 2023 through June 2024) and \$1.4 million for FY 2025.