

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 1, 2023

BILL NUMBER: SB 378 **STATUS AND DATE OF BILL:** Introduced 1/15/2023

AUTHORS: House n/a Senate Hall

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

PROPOSAL: Amendatory

SB 378 proposes to amend 68 O.S. § 2358.110 relating to the income tax deduction for qualified equity investments in an eligible Oklahoma venture capital company.

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 23: None

FY 24: None

Feb. 5, 2023
DATE

Rick Miller
DIVISION DIRECTOR

mk

2/6/2023
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/7/2023
DATE

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 STATEMENT – SB 378 [Introduced]
Prepared 2/1/2023

SB 378 proposes to amend 68 O.S. § 2358.110 relating to the income tax deduction for qualified equity investments in an eligible Oklahoma venture capital company.

Under current law a deduction is available for tax years 2022 through 2026 for an accredited investor that may not exceed \$25 million a taxable year and may not reduce Oklahoma taxable income below zero. The deduction is allowed for amounts invested in eligible Oklahoma venture capital companies. No carryover of the deduction is allowed.

This measure specifies that the deduction is allowed only if the qualified equity investment by the Oklahoma venture capital company is invested in an eligible Oklahoma business venture.¹

No impact on income tax collections are expected as a result of this measure.

¹Eligible Oklahoma business ventures are lawful business entities as determined by the Oklahoma Department of Commerce for receipt of an equity investment by an eligible Oklahoma venture capital company. In determining whether an investment is a qualified equity investment, Commerce must consider the potential impact the investment would have on the local and state economy and consider the following factors:

- the primary location of the entity,
- the number of employees located or to be located in this state,
- state and local revenues generated from the investment,
- the economic benefits to the state,
- the type and amount of the investment,
- the current capitalization level and strategy, and
- the industry classification of the entity