

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 26, 2023

BILL NUMBER: SB 960 **STATUS AND DATE OF BILL:** Introduced 1/19/23

AUTHORS: House: n/a Senate: Bullard

TAX TYPE (S): Gross Production **SUBJECT:** Tax Levy

PROPOSAL: New

SB 960 proposes a new law to provide for the levy of a tax imposed on the severance of surface mined materials used as aggregate for counties in Oklahoma upon being approved by a majority of the registered voters of each county or by an initiative petition signed by not less than five percent (5%) of the registered voters of each county.

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: none
FY 25: none

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the OTC due to this proposed legislation.

FY 24: minimal

Feb 5, 2023
DATE

Rick Miller
DIVISION DIRECTOR

ci

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 - SB 960 [Introduced] Prepared 1/26/23

SB 960 provides for the levy of a tax imposed on the severance of all materials which are surface mined for the purposes of producing aggregate for counties in Oklahoma upon being approved by a majority of the registered voters of each county or by an initiative petition signed by not less than five percent (5%) of the registered voters of each county. SB 960 also proposes three exemptions: (1) materials extracted by a person from real property they own and not sold for profit; (2) limestone extracted for agricultural purposes; and 3) sales of sand for use in hydraulic fracturing and materials to be used for the production of goods within the state. The third exemption would be issued as a refund against severance taxes paid. Such materials sold where an appropriate county sales tax was charged, collected and remitted to the county where the materials were severed shall receive a credit against the severance tax in the same amount of the sales tax portion that was remitted to the county of origin.

The board of commissioners of a county levying a tax pursuant to the provisions of this bill and the Tax Commission are authorized to enter into a contract whereby the Tax Commission shall have the authority to assess, collect and enforce the tax and penalties or interest. For providing such assistance the Tax Commission shall charge a fee of one-half of one percent (1/2 of 1%) of the gross collection proceeds.

The imposition of a county severance tax will have no estimated impact to state revenues. Half of the revenues derived from the tax would be apportioned to the county general fund. The other half of the revenues derived from the tax would be apportioned to the county general fund of municipalities within the county based on a proportional basis of their population. The amount of county revenue that would be collected is unknown. There is a minimal estimated administrative impact to the Tax Commission.