

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 4008
Version:	INT
Request Number:	9455
Author:	Rep. Newton
Date:	2/19/2020
Impact:	Tax Commission:

Decrease in General Revenue: (\$1,500,000)

Increase to Tourism Promotion Fund: \$1,500,000

Research Analysis

HB4008, as introduced, increases the apportionment cap on the amount of sales tax revenue going to the Oklahoma Tourism Promotion Revolving Fund from \$5 million to \$.6.5 million each fiscal year.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

HB 4008 proposes changing the apportionment of state sales tax such that the monies apportioned to the OTPRF will be capped at six million five hundred thousand dollars (\$6,500,000) instead of five million dollars (\$5,000,000), with any excess to still be apportioned to the GRF. In December 2019, Oklahoma state sales tax revenues were forecasted to be two billion six hundred and sixty million and three hundred and thirty-four thousand dollars (\$2,660,334,000) for FY 2021⁴. Applying current apportionment law to the forecasted state sales tax revenue, the OTPRF would receive the entire five million dollars (\$5,000,000) and three million three hundred and thirty-two thousand dollars (\$3,332,000) would be apportioned to the GRF⁵. HB 4008 proposes increasing this cap to six million five hundred thousand dollars (\$6,500,000) resulting in an increase of one million five hundred thousand dollars (\$1,500,000) to the OTPRF with an offsetting decrease to the GRF of one million five hundred thousand dollars (\$1,500,000).

Net Revenue Impact of HB 4008
FY 21:

\$1,500,000 increase to the Oklahoma Tourism Promotion Revolving Fund
\$1,500,000 decrease to the General Revenue Fund

¹ Some of these monies may be apportioned to the Teachers' Retirement System Dedicated Revenue Revolving Fund if the baseline amount is not met in the Teachers' Retirement System Dedicated Revenue Revolving Fund in a given fiscal year.

² If five percent (5%) is not enough to meet the baseline amount, monies will be deducted from the General Revenue Fund to makeup the difference.

³ The amount apportioned in FY 15 was one million four hundred and forty-nine thousand and three hundred and ninety dollars and thirty-four cents (\$1,449,390.34).

⁴ This forecast will be updated in mid-February.

⁵ $\$2,660,334,000 \times 0.87\% = \$23,144,905.80 \times 36\% = \$8,332,166.08 - \$5,000,000 = \$3,332,166.08$

Prepared By: Mark Tygret

Other Considerations

None.

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