

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 19, 2023

BILL NUMBER: SB 605

STATUS AND DATE OF BILL: Introduced 1/17/23

AUTHORS: House: n/a Senate: Rader

TAX TYPE (S): Other **SUBJECT:** Administrative

PROPOSAL: Amendatory

SB 605 proposes to amend 68 O.S. § 2357.22, which provides an income tax credit for investments in qualified clean-burning motor vehicle fuel property placed in service on or after January 1, 1991. For FY 24, the Oklahoma Tax Commission (OTC) will calculate and transfer an amount that equals 12% of the credit for tax year 2021 to the Compressed Natural Gas Conversion Safety and Regulation Fund pursuant to 74 O.S. § 130.25. For each subsequent fiscal year, the OTC will perform the same calculation and transfer for credits claimed in the second preceding tax year.

EFFECTIVE DATE: Emergency - July 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.

Feb. 5, 2023
DATE

Rick Miller
DIVISION DIRECTOR

bf

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 605 [Introduced] Prepared 1/19/23

SB 605 proposes to amend 68 O.S. § 2357.22, which provides an income tax credit for investments in qualified clean-burning motor vehicle fuel property placed in service on or after January 1, 1991. For FY 24, the Oklahoma Tax Commission (OTC) will calculate and transfer an amount that equals 12% of the credit for tax year 2021 to the Compressed Natural Gas Conversion Safety and Regulation Fund.¹ For each subsequent fiscal year, the OTC will perform the same calculation and transfer for credits claimed in the second preceding tax year.

Currently, the OTC annually calculates and transfers to the Compressed Natural Gas Conversion Safety and Regulation Fund an amount equal to 5% of the cost of qualified clean-burning motor vehicle fuel property with respect to the second tax year preceding the beginning of each subsequent fiscal year. The proposal allows the transfer amount to be properly calculated based on vehicle weight, rather than dollar amount invested.

The proposal is not expected to have a revenue impact.

¹ 74 O.S. § 130.25