

BILL SUMMARY
1st Session of the 60th Legislature

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|------------------------|---------------------------|
| Bill No.: | HB2218 |
| Version: | SubRec |
| Request Number: | 12713 |
| Author: | Rep. Deck |
| Date: | 2/24/2025 |
| Impact: | See Analysis Below |

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

This measure creates the "Local Music Incentive Act of 2025." While it caps the total program limit to Ten Million Dollars (\$10,000,000.00) annually, the Oklahoma Tax Commission (OTC) cites that there is no direct funding source for this measure nor is there a known number of qualifying venues or performers. Therefore, the total impact is currently unknown. OTC also believes it will require one additional staff person to manage the program with the salary and benefits of Sixty Thousand Dollars (\$60,000.00)

Given this information, the minimum impact is \$60,000.00 to the state budget.

ESTIMATED REVENUE IMPACT:

FY26: Unknown

FY27: Unknown

ANALYSIS: The measure creates the "Local Music Incentive Act of 2025" and respective "Local Music Incentive Revolving Fund" to allow event vendors to request a rebate on a quarterly basis for sales and mixed beverage taxes that are collected between 12 hours before and after a "local performer" performs for a minimum of 30 minutes. The Oklahoma Tax Commission is to review the applications for these rebates and request assistance from the Oklahoma Film and Music Office, if needed. The committee substitute reduces rebate amounts, sets per-event and per-venue caps, and limits the overall program to \$10 million per fiscal year.

The measure will result in an unknown impact for FY26 and FY27 because there is currently no direct funding source to provide for the rebates. Further, there are numerous qualifying event venues in the state that host an unknown number of local performers. The tax collections from local performances at these venues, and subsequent potential rebates, are indeterminable.

Administrative Impact: The OTC anticipates \$60,000 in additional staff resources to administer the applications and payment of incentives.

Prepared By: Mariah Searock, House Fiscal Staff

Other Considerations

None.

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