Bill Analysis


Prepared by: Kalen Taylor
REVENUE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT:    February 4, 2019

BILL NUMBER:    SB 485    STATUS AND DATE OF BILL:    Introduced 1/16/19

AUTHORS:    House n/a    Senate Bergstrom

TAX TYPE (S):    Income Tax    SUBJECT:    Exemption

PROPOSAL:    Amendatory

SB 485 proposes to amend 74 O.S. §§ 5072, 5075 and 5078 relating to the Small Business Incubators Incentives Act. This measure proposes to eliminate the small business incubator sponsor income tax exemption beginning with tax year 2020.¹

EFFECTIVE DATE:    August 30, 2019²

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 20:    -0-
FY 21:    Unknown positive impact³

Feb. 4, 2019    (Signature)
DATE    DIVISION DIRECTOR
mck

2-5-2019    (Signature)
DATE    HUAN GONG, ECONOMIST

2-6-19    (Signature)
DATE    FOR THE COMMISSION

The estimated 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.

¹ Under current law income earned by a small business incubator sponsor from rental and service fees is exempt from income tax. This exemption is available for a period up to ten (10) years. Tenants of small business incubators are exempt from income tax on the income earned as a result of the occupancy in the incubator. This exemption is available for a period up to ten (10) years. The tenant tax exemption is not affected by this proposal.
² This measure contains language that it is to become effective in accordance with Section 58 of Article V of the Oklahoma Constitution and does not have a prescribed effective date. The August 30, 2019 effective date assumes the Legislature adjourns sine die as presently scheduled on May 31, 2019.
³ Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511, and therefore, the amount of income exempted under this expenditure item cannot be estimated. It is anticipated that the impact would be minimal.