

MEMO



OKLAHOMA
Tax Commission

Tax Policy and Research Division

DATE: MARCH 1, 2022

TO: RICK MILLER, DIRECTOR *RAM*
TAX POLICY & RESEARCH DIVISION

FROM: MARC MORRISON
TAX POLICY ANALYST

SUBJECT: PROPOSED COMMITTEE SUBSTITUTE FOR SB 258

This is in response to your request for a revenue impact for the Proposed Committee Substitute for SB 258 which proposes to amend 68 O.S. § 6005 modifying aircraft excise tax apportionment and removing apportionment language for prior fiscal years.

Currently, the first \$4,500,000 of aircraft excise tax revenues is apportioned to the Oklahoma Aeronautics Commission Revolving Fund ("OACRF") and any surplus is apportioned to the General Revenue Fund ("GRF"). SB 258 proposes to remove language regarding apportionment of aircraft excise tax for years prior to FY 2023. Additionally, SB 258 proposes to apportion 100% of the revenues derived from aircraft excise tax to the OACRF beginning in FY 23. This change would alter the apportionment of aircraft excise tax such that it would be the same as fiscal years 2001 through 2015.

In the prior three fiscal years aircraft excise tax collections have totaled roughly \$11,915,000¹, averaging \$3,972,000² per year. Under current apportionment law, the first \$4,500,000 threshold would not be met for FY 23³, thus no excess monies would be apportioned to the GRF. The proposed changes in SB 258 will only have an impact if aircraft excise tax collections exceed \$4,500,000. This measure is revenue neutral and any impact associated with aircraft excise tax collections in excess of \$4,500,000 will be revenue net neutral between the OACRF and the GRF. There is no administrative impact associated with the Proposed Committee Substitute for SB 258.

¹(FY 21) 4,207,079 + (FY 20) \$3,075,053 + (FY 19) \$4,632,903 = \$ rounded to \$11,915,000

² \$11,915,000 ÷ 3 = \$3,971,667 rounded to \$3,972,000

³ Based on an average of aircraft excise tax revenues received in FY 19, FY 20, & FY 21.