

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 22, 2021

BILL NUMBER: SB 905 STATUS AND DATE OF BILL: Introduced 1/21/2021

AUTHORS: House n/a Senate Bullard

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: New Law

SB 905 proposes to enact a new, non-refundable income tax credit to be claimed by an employer for each verified blood donation made by an employee as part of a blood drive that is organized by an Oklahoma nonprofit blood donation organization in coordination with an employer or group of employers. The blood drive may not be open to non-employees. Effective for tax years 2022 through 2027, an employer may claim a \$20 credit for each qualified donation.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

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

FY 22: None.

FY 23: Estimated decrease in income tax collections of \$704,480.

Jan. 27, 2021
DATE

Rick Miller
DIVISION DIRECTOR

bdf

2/11/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/1/21
DATE

J. S. C.
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 905 [Introduced] Prepared 1/22/2021

SB 905 proposes to enact a new, non-refundable income tax credit to be claimed by an employer¹ for each verified blood donation made by an employee as part of a blood drive that is organized by an Oklahoma nonprofit blood donation organization in coordination with an employer or group of employers. The blood drive may not be open to non-employees. Effective for tax years 2022 through 2027, an employer may claim a \$20 credit for each qualified donation.

Data provided by the Oklahoma/Texas/Arkansas Blood Institute², indicates that 35,224 blood donations were received from employees participating in qualified blood drives during 2019³. Assuming similar activity in 2022, the potential revenue impact is an estimated decrease in income tax revenue of approximately \$704,480⁴ for tax year 2022. No changes in withholding or estimated tax payments are anticipated, and the full impact would occur in FY 23 when the 2022 income tax returns are filed.

¹ “Employer” means a sole proprietor, general partnership, limited partnership, limited liability company, corporation or other legally recognized business entity.

² Terry Ridenour, Vice President of Center Administration and Operations for the Oklahoma/Texas/Arkansas Blood Institute

³ The number of employee blood donations received during 2020 was 33,004; however, this number may reflect reduced activity, due to COVID-19.

⁴ This estimate reflects the cost to incentivize existing donations, and the number of qualifying blood donations may be expected to increase as a result of the credit.