

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 15, 2023

BILL NUMBER: SB 548 **STATUS AND DATE OF BILL:** Introduced 1/17/2023

AUTHORS: House: n/a Senate: Montgomery

TAX TYPE (S): Income Tax **SUBJECT:** Other

PROPOSAL: New Law

SB 548 proposes to enact the *Prepaid Vision Plan Act* which allows organizations in this state to sell, offer to sell, solicit offers to purchase, or receive advance or periodic consideration in conjunction with a prepaid vision plan as administered by the Oklahoma Insurance Commissioner.

EFFECTIVE DATE: November 1, 2023

REVENUE IMPACT:

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

FY 24: Unknown

FY 25: Unknown

Feb. 15, 2023
DATE

Rick Miller
DIVISION DIRECTOR

mk

2/15/2023
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/15/2023
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 STATEMENT - SB 548 [Introduced]
Prepared 2/15/2023

SB 548 proposes to enact the *Prepaid Vision Plan Act* which allows organizations in this state to sell, offer to sell, solicit offers to purchase, or receive advance or periodic consideration in conjunction with a prepaid vision plan as administered by the Oklahoma Insurance Commissioner.

Section 2 of this measure provides definitions for the proposed *Prepaid Vision Plan Act*.

Sections 3 through 9 and 11 through 13 provide the frame work for the Insurance Commissioner to administer the *Prepaid Vision Plan Act*.

Section 10 imposes a tax of 2% on prepaid net charges¹ received from members in this state for both domestic and foreign organizations to be paid to the State Treasurer through the Insurance Commissioner.² A prepaid vision plan organization may offset this tax on net charges in whole or in part by payment of state corporate income tax as provided pursuant to 68 O.S. § 2355. An organization is prohibited from carrying over to a succeeding year any credit for paying corporate income tax not used during a year.

There is an unknown change to corporate income tax collections as a result of this measure.

¹ Net charges are not defined in this measure.

² Under current law, the Insurance Commissioner collects an annual tax on all of the direct written premiums after all returned premiums are deducted, and on all membership, application, policy and/or registration fees, installment and/or finance fees or charges collected thereby, for the privileges of having written, continued and/or serviced insurance on lives, property and/or other risks in this state and of having made and serviced investments therein during the then expiring license year except premiums or fees paid by any county, city, town or school district funds or by their duly constituted authorities performing a public service organized pursuant to 74 O.S. § 1001-1008 or 60 O.S. § 176 - 180.4. Insurance companies paying a tax to Oklahoma on gross premium income are exempt from the income tax levied under 68 O.S. § 2355 (68 O.S. § 2359).