

**Bill Summary**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 652</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>1642</b>
<b>Author:</b>	<b>Sen. Paxton</b>
<b>Date:</b>	<b>01/27/2019</b>

**Bill Analysis**

SB 652 exempts the isolated or occasional sale of property by a person who is not regularly engaged in the sale of similar property from the sales tax. Motor vehicles, trailers, and semi-trailers are not included in this exemption except when the sale is a result of a corporate organization or reorganization.

Prepared by: Kalen Taylor

**OKLAHOMA TAX COMMISSION**

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

**DATE OF IMPACT STATEMENT:** February 18, 2019

**BILL NUMBER:** SB 652 **STATUS AND DATE OF BILL:** Introduced 01/17/2019

**AUTHORS:** House n/a Senate Paxton

**TAX TYPE (S):** Sales and Use Tax **SUBJECT:** Exemption

**PROPOSAL:** Amendatory

The measure proposes amendment to Section 1357 of Title 68 by providing a sales tax exemption for the isolated or occasional sale<sup>1</sup> of property by a person who is not regularly engaged in, or who does not claim to be engaged in the business of selling the same or similar property.

**EFFECTIVE DATE:** November 1, 2019

**REVENUE IMPACT:**

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

FY 20: \$14,085,000 decrease in state sales tax revenues.

FY 21: \$24,655,000 decrease in state sales tax revenues.

Feb. 18, 2019  
DATE

Rick Miller  
DIVISION DIRECTOR

msm

2-18-2019  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

2-18-19  
DATE

Jonny Martin  
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.*

<sup>1</sup> An isolated or occasional sale shall not include the sale of a motor vehicle, trailer or semi-trailer, unless the motor vehicle, trailer or semi-trailer is being transferred as a result of a corporate organization or reorganization.

**ATTACHMENT TO REVENUE IMPACT—SB 652—[Introduced]—Prepared 02/18/2019**

The measure proposes amendment to Section 1357 of Title 68 by providing a sales tax exemption for the isolated or occasional sale<sup>2</sup> of property by a person who is not regularly engaged in, or who does not claim to be engaged in the business of selling the same or similar property.

Oklahoma Tax Commission records indicate that a total of \$23,646,526 in state sales tax is attributable to sales falling under the parameters of the proposed exemption including asset sales of oilfield equipment and other business property and occasional sales by persons not required to possess an Oklahoma sales tax permit. Sales of fixtures and equipment by a business which are reported under that businesses sales tax account are not separately identified in the sales tax remittance system for purposes of inclusion in the impact.

The measure proposes an effective date of November 1, 2019. Application of growth rate adjustments of 2.11% results in an estimated \$14,084,856 decrease in state sales tax revenues for FY 20 and an estimated decrease of \$24,654,937 in state sales tax revenues for FY 21.

---

<sup>2</sup> An isolated or occasional sale shall not include the sale of a motor vehicle, trailer or semi-trailer, unless the motor vehicle, trailer or semi-trailer is being transferred as a result of a corporate organization or reorganization.