

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

<b>Bill No.:</b>	<b>SB 891</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>1277</b>
<b>Author:</b>	<b>Sen. Scott</b>
<b>Date:</b>	<b>01/31/2019</b>

**Bill Analysis**

SB 891 modifies the sales tax exemption for prosthetics to include the sale of hearing aids.

Prepared by: Kalen Taylor

**OKLAHOMA TAX COMMISSION**

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

DATE OF IMPACT STATEMENT: February 25, 2019

BILL NUMBER: SB 891 STATUS AND DATE OF BILL: Introduced 1/17/2019

AUTHORS: House n/a Senate Scott

TAX TYPE (S): Sales Tax SUBJECT: Exemption

PROPOSAL: Amendatory

The measure proposes to amend 68 O.S. § 1357 to expand the sales tax exemption for sales of prosthetic devices to include hearing aids.

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: \$1,033,000 estimated decrease in state sales tax revenues  
FY 21: \$1,815,000 estimated decrease in state sales tax revenues

Feb. 26, 2019  
DATE

Rick Miller  
DIVISION DIRECTOR

bjs

2-26-2019  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

2-26-19  
DATE

[Signature]  
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.*

**ATTACHMENT TO REVENUE IMPACT – SB 891 – [Introduced] – Prepared 02/25/2019**

The measure proposes to amend 68 O.S. § 1357 to expand the sales tax exemption for sales of prosthetic devices to include hearing aids.

Based on previously compiled sales tax reporting and remittance data, estimated state sales tax collections of \$1,685,144 are attributable to sales of hearing aids.

The measure proposes an effective date of November 1, 2019. Application of inflation rate adjustments of 2.5%, results in an estimated decrease in state sales tax collections of \$1,032,765 for FY 20<sup>1</sup> and \$1,814,716 for FY 21 (again applying a 2.5% inflation rate adjustment).

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<sup>1</sup> Includes seven months of sales tax collections.