

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

SB 1223
INT
Sen. Dossett
02/07/2020

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 3, 2020

BILL NUMBER: SB 1223 **STATUS AND DATE OF BILL:** Introduced 1/8/2020

AUTHORS: House n/a Senate Dossett

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

PROPOSAL:

The measure proposes amendment to Section 1356(79) of Title 68 to include a sales tax exemption for sales of tangible personal property by the American Legion.

EFFECTIVE DATE: November 1, 2020

REVENUE IMPACT:

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

FY 21: \$40,000 decrease in state sales tax revenues
FY 22: \$70,000 decrease in state sales tax revenues

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 21: None

<u>Feb. 4, 2020</u> DATE	<u>Rich Miller</u> DIVISION DIRECTOR	<u>msm</u>
<u>2/4/2020</u> DATE	<u>Huan Gong</u> HUAN GONG, ECONOMIST	
<u>2/4/2020</u> DATE	<u>[Signature]</u> 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 1123 [Introduced] Prepared 2/03/2020.

The measure proposes amendment to Section 1356(79) of Title 68 to include a sales tax exemption for sales of tangible personal property by the American Legion.

Oklahoma Tax Commission sales tax remittance records indicate that the American Legion's state sales tax collections totaled \$64,852 in FY 19. The measure proposes an effective date of November 1, 2020. Assuming similar sales as those experienced in FY 19 and applying growth rate adjustments,¹ an estimated decrease in state sales tax collections of \$39,775 for FY 20² and \$69,960 for FY 21 is projected.

¹ [4.4% for FY 20, .71% for FY 21, and a 2.6% for FY 22, based from the Dec. 19, 2019 Oklahoma Tax Commission forecast].

² Seven months of sales tax collections.