

**Fiscal Impact**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

**Bill No.:**  
**Version:**  
**Author:**  
**Date:**

**SB 1388**  
**INT**  
**Sen. Ikley-Freeman**  
**02/24/2020**

**OKLAHOMA TAX COMMISSION**

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

**DATE OF IMPACT STATEMENT:** February 22, 2020

**BILL NUMBER:** SB 1388      **STATUS AND DATE OF BILL:** Introduced 01/14/2020

**AUTHORS:** House n/a      Senate Ikley-Freeman

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

**PROPOSAL:** Amendatory

The measure proposes amendment to Section 1358(A)(1) of Title 68 of Oklahoma Statutes expanding the current sales tax exemption for agricultural products produced in the state when sold by the producer thereof at, or from, their farm to include bee products sold by a beekeeper who owns, possesses, controls, or manages one or more colonies of bees used for the purpose of producing bee products for sale.

**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: Unknown minimal decrease in state sales tax collections

FY 22: Unknown minimal decrease in state sales tax collections

Feb. 22, 2020      Pick Miller      msm  
DATE      DIVISION DIRECTOR

2/24/2020      Huan Gong  
DATE      HUAN GONG, ECONOMIST

2/24/2020      [Signature]  
DATE      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 1388 - [Introduced] - Prepared February 22, 2020**

The measure proposes amendment to Section 1358(A)(1) of Title 68 of Oklahoma Statutes expanding the current sales tax exemption for agricultural products produced in the state when sold by the producer thereof at, or from, their farm to include bee products sold by a beekeeper who owns, possesses, controls, or manages one or more colonies of bees used for the purpose of producing bee products for sale.

Effective August 27, 2015, Oklahoma Administrative Code § 710:65-13-15 was amended to remove the beekeeping exclusion from the activities that constitute agricultural production for purposes of the sales tax exemption afforded holders of agricultural exemption permits. Beekeepers holding the referenced permits can purchase supplies and equipment i.e., beehives, bees, etc., necessary for their operations exempt from sales tax. In accordance with the change to the referenced administrative code provision, beekeepers are allowed to sell their bees, honey, honey comb and similar products exempt from sales tax pursuant to Section 1358(A)(1) conditioned upon these products being produced and sold from the beekeepers farm.

The measure does not provide a definition of “bee products”, but for purposes of this impact, it is assumed that the majority of the bee products sold by a beekeeper are exempted under the current provisions of Section 1358(A)(1) of Title 68. Secondary products potentially qualifying for the proposed exemption, such as, bees wax candles sold by the described beekeepers are estimated to be minimal. Therefore, it is anticipated that the proposal will result in an unknown minimal decrease in state sales tax revenues for FY 21 and FY 22.