

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:	SB 625
Version:	CS
Author:	Sen. Kirt
Date:	02/24/2020

MEMORANDUM

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

Date: *February 18, 2020*

To: *Rick Miller, Director*
Tax Policy and Research Division

From: *Marc Morrison*
Tax Policy Analyst

Subject: *SB 652 Committee Substitute*

This is in regard to your request for a revenue impact for SB 652 CS, which proposes to amend Section 1360(1) of Title 68 to exempt from the sales tax levy, sales or transfers of tangible personal property between wholly owned subsidiaries of a parent company and between a parent company and its wholly owned subsidiary.

Sales and use taxes are not reported in such a way to identify if or how often the described transactions may have occurred or whether tax was remitted thereon. Extensive research of audit and other Tax Commission files have not located any proposed assessments and/or tax payments related to the transactions exempted by this proposal. Therefore, it is estimated that the measure will result in a minimal decrease in state sales tax revenues.