

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1908</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>6034</b>
<b>Author:</b>	<b>Rep. Fetgatter</b>
<b>Date:</b>	<b>2/18/2021</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Revenue Neutral**

**Apportioned to the Tax Commission:**  
**\$937,000**

**Research Analysis**

HB 1908 directs the State Department of Health to enter into a contract with the Oklahoma Tax Commission where the Commission shall assess, collect and enforce the 7 percent tax on retail medical marijuana sales. The Commission shall charge the Department a fee of 1.5 percent for such collection services, and the proceeds of the fee shall be deposited in the Tax Commission Reimbursement Fund in the State Treasury.

Prepared By: Emily McPherson

**Fiscal Analysis**

Analysis provided by the Tax Commission:

HB 1908 proposes creating new law requiring the OTC and the OSDH to contract with one another where the OTC shall have the authority to assess, collect and enforce the 7% excise tax on medical marijuana sales. In exchange the OTC shall charge the OSDH a 1.5% fee on the gross collection proceeds.

The first 7 months of FY21 reflect a monthly average collection of approximately \$5,207,000. Thus, assuming similar collections in FY22, the gross collections for the 7% excise tax on medical marijuana will be roughly \$62,484,000. Of this gross amount the OTC will receive approximately \$937,000<sup>1</sup> under the proposed measure.

This measure is revenue net neutral. The proposed measure increases the OTCs administrative revenue by \$937,000 and all anticipated administrative costs associated with this measure are covered by this fee. Thus, the proposed measure also has an administrative revenue net neutral impact.

Prepared By: Mark Tygret

**Other Considerations**

None.

