

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB 2743
Version:	INT
Request Number:	5971
Author:	Rep. Ford
Date:	2/15/2021
Impact:	Tax Commission:

Sales Tax Revenue Decrease:
FY-22: (\$2,000)
FY-23: (\$3,500)

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

Analysis provided by the Tax Commission:

The measure proposes to amend 68 O. S. § 1356 by changing the administration of the sales tax exemption for Blue Star Mother of America, Inc. Currently, the exemption is administered in accordance with the refund process. To qualify for the exemption Oklahoma Blue Star Mother Chapters are to file a refund claim with the Tax Commission on a quarterly basis of tangible personal property purchased that was actually sent to United States military personnel overseas who are serving in a combat zone and not on items purchased for use for the organization. The measure proposes that the Blue Star Mother refund process for the exemption be removed and the exemption will be perfected at the point of sale pursuant to the issuance of a sales tax exemption permit. It further expands the exemption to include purchases of tangible personal property to be sent to veterans, military personnel family members, or Gold Star family members.

Relating to transactions which are not covered by their current exemption information received from four of the twelve Oklahoma Chapters of the Blue Star Mothers organization indicates combined state and local sales taxes paid in FY 20 of \$2,174. Attributing similar expenditure amounts to the remaining Chapters results in total state and local sales tax expenditures of \$6,522. Of this amount 53% or \$3,457 is attributed to state sales tax.

The measure proposes an effective date of November 1, 2021. Application of inflation rate adjustments of 1.2%¹ results in an estimated decrease in state sales tax collections of \$2,065 for FY 22² and \$3,583 for FY 23 (again applying a 1.2% inflation rate adjustment).

¹ Based on latest version of the Consumer Price Index-All Urban Consumers

² Includes seven months of sales tax collections.

Prepared By: Mark Tygret

Other Considerations

None.

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