

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	SB 1305
Version:	SUBREC
Request Number:	11247
Author:	Rep. Miller
Date:	4/7/2022
Impact:	Tax Commission:

Minimal Sales Tax Revenue Decrease

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

Analysis provided by the Tax Commission:

This is in response to your request for a revenue impact for the Proposed Committee Substitute for SB 1305. The measure adds a sales tax exemption in Section 1356 of Title 68 for sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law prior to January 1, 2019, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the principal functions of which are to provide assistance to natural persons following a disaster¹, with program emphasis on repair or restoration to single-family residential dwellings or the construction of a replacement single-family residential dwelling. For purposes of this paragraph an entity operated exclusively for charitable and educational purposes through the coordination of volunteers for the disaster recovery of homes (as derived from Part III, Statement of Program Services, of Internal Revenues Service Form 990) and offers it services free of charge to disaster survivors statewide who are low income with no, or limited, means of recovery on their own for the restoration to single-family housing following a disaster, including related general and administrative expenses, shall be eligible for the exemption authorized by this paragraph. The exemption provided by this paragraph shall only be applicable to sales made on or after the effective date of this act.

Currently, there is one known organization which could qualify for the proposed sales tax exemption and the estimated revenue impact associated with this proposal is anticipated to be a minimal decrease in state sales tax collections.

¹ For purposes of the proposed exemption "disaster" is defined to mean damage to property with or without accompanying injury to persons from heavy rain, high winds, tornadic winds, drought, wildfire, snow, ice, geologic disturbances, explosions, chemical accidents or spills and other events, causing damage to property on a large scale.

Prepared By: Mark Tygret

Other Considerations

None.

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