

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: March 15, 2021

BILL NUMBER: HB 2744 **STATUS AND DATE OF BILL:** Engrossed 03/03/2021

AUTHORS: House Ford & Waldron Senate Pemberton

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

PROPOSAL: New Law

The measure requires vendors subject to the Oklahoma sales tax code to apply for and obtain an annual "resale permit"¹ in order to claim a sale for resale exemption. The measure also allows for an appeal process for a denied applicant and sets fines for anyone claiming a sale for resale without a permit(s) or after a permit has been suspended².

The measure also requires vendors to use a system upon development by the Tax Commission ("OTC") for the purpose of exchanging information with sellers regarding sale for resale permit numbers of purchasers who are seeking to make purchases for resale. It also requires the OTC to provide sellers, free of charge, verification of whether sale for resale permits are valid. The OTC must also provide the seller a transaction code authorizing the seller to sell items purchased for resale to purchasers who hold a valid sale for resale permit. Additionally it authorizes the OTC to release information contained in the Master Sales and Use Tax File to vendors for the purpose of determining the validity of sale for resale permits³.

EFFECTIVE DATE: July 1, 2022

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 22: None
FY 23: [See Attached]

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 22: [See attached]

Mar. 15, 2021
DATE

Rick Miller
DIVISION DIRECTOR

msm

3/15/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/17/21
DATE

[Signature]
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.

¹ At no charge and such a resale permit will have an expiration date at 11:59 P.M. on the next June 30th following the effective date of issuance.

² A misdemeanor punishable by a fine of not more than One Thousand Dollars (\$1,000) for the first offense. Anyone found guilty under a second offense will be charged with a felony and a fine of not more than Five Thousand Dollars (\$5,000) or by a term of imprisonment in the State Penitentiary for not more than two (2) years, or both such fine and imprisonment.

³ Such information includes permit number(s), name in which the permit is issued, name of the business operation if different from ownership (DBA), mailing address, business address, North American Industry Classification System (NAICS classification), and the effective date of issuance or cancellation of a permit

ATTACHMENT TO REVENUE IMPACT HB 2744 [Engrossed] Prepared 03/15/2021

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Revenue Impact

An unknown increase in state sales tax revenues is estimated in excess of additional costs incurred.

Administrative Costs and Concerns

The measure will result in an increase of \$100,000 in administrative costs for new personnel, equipment, supplies, and system programming along with a minimum of three months after enactment in which to implement this measure.

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