

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: April 13, 2022

BILL NUMBER: HB 3649 STATUS AND DATE OF BILL: Committee Substitute 04/13/2022

AUTHORS: House Dills, Phillips & McDugle Senate Pemberton

TAX TYPE (S): Sales Tax SUBJECT: Exemption

PROPOSAL: Amendatory

The measure proposes to amend 68 O.S. § 1356 by providing a sales tax exemption for sales of tangible personal property or services to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and which provides support to veterans, active duty members of the Armed Forces, reservists and members of the National Guard to assist with the transition to civilian life and which provides documentation to the Oklahoma Tax Commission that over seventy percent (70%) of its revenue is expended on support for transition to civilian life.

EFFECTIVE DATE: July 1, 2022 - Emergency

REVENUE IMPACT:

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

FY 23: Unknown decrease in state sales tax collections

April 14, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bjs

4/14/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

4/18/2022
DATE

Joseph P. Ayra
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.

The measure proposes to amend 68 O.S. § 1356 by providing a sales tax exemption for sales of tangible personal property or services to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and which provides support to veterans, active duty members of the Armed Forces, reservists and members of the National Guard to assist with the transition to civilian life and which provides documentation to the Oklahoma Tax Commission that over seventy percent (70%) of its revenue is expended on support for transition to civilian life.

The revenue impact calculated prior to the addition of the 70% expenditure qualification requirement indicated twelve eligible organizations with estimated state sales tax expenditures of \$53,000. Information indicating whether this additional expenditure requirement would serve to exclude any of these organizations is not presently available. Therefore, an unknown decrease in state sales tax revenue is projected for FY 23.