

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 26, 2022

BILL NUMBER: SB 1339 **STATUS AND DATE OF BILL:** Introduced 1/18/2022

AUTHORS: House NA Senate Coleman

TAX TYPE (S): Sales and Use Tax **SUBJECT:** Other

PROPOSAL: Amendatory

SB 1339 proposes to amend the FY 18 Budget Amendments Act (68 O.S. §§ 1391 et seq.). Under the proposal, a marketplace facilitator or a referrer that had aggregate sales of products in Oklahoma or delivered to locations in Oklahoma worth at least \$10,000 during the immediately preceding 12 months must either file an election with the Oklahoma Tax Commission to collect and remit applicable state and local taxes or comply with related notice and reporting requirements.

EFFECTIVE DATE: January 1, 2023

REVENUE IMPACT:

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

FY 23: Estimated increase of \$1.1 million in state sales tax collections.

Jan. 31, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bf

1/31/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/2/2022
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.

ATTACHMENT TO REVENUE IMPACT - SB 1339 [Introduced] Prepared 1/26/2021

SB 1339 proposes to amend the FY 18 Budget Amendments Act (68 O.S. §§ 1391 et seq.). Under the proposal, a marketplace facilitator or a referrer that had aggregate sales of products in Oklahoma or delivered to locations in Oklahoma worth at least \$10,000 during the immediately preceding 12 months must either file an election with the Oklahoma Tax Commission (OTC) to collect and remit applicable state and local taxes or comply with related notice and reporting requirements.

Currently, the Act only applies to sales of tangible personal property, and certain of the entities facilitating Oklahoma lodging sales have voluntarily agreed to collect and remit state and local taxes, while others have not.

This proposal expands the definition of “marketplace facilitator” to mean a person that facilitates the sale at retail of a marketplace seller’s product, defined as tangible personal property, services, or other transactions taxable under the Oklahoma Sales Tax Code. The proposal further clarifies that the collection obligation of a marketplace facilitator or a referrer that elects to collect and remit sales or use tax also applies to any other taxes levied by local jurisdictions on retail sales of products that are administered by the OTC.

Approximately 7,800 available rental sites in Oklahoma are listed by marketplace facilitators that have not voluntarily agreed to collect and remit state and local taxes. Retail sales for these sites during 2021 are estimated to be \$24 million. Applying the 4.5% state sales tax rate to these estimated sales results in a potential annual increase in sales tax collections of approximately \$1.1 million, beginning in FY 23.