

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 27, 2022

BILL NUMBER: SB 1499 **STATUS AND DATE OF BILL:** Introduced 01/20/2022

AUTHORS: House N/A Senate Garvin

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

PROPOSAL: Amendatory

The measure proposes to amend 68 O.S. § 1357 by exempting from the sales tax levy, sales of feminine hygiene products which means tampons, panty liners, menstrual cups, sanitary napkins and other similar products designed for feminine hygiene purposes.

EFFECTIVE DATE: November 1, 2022

REVENUE IMPACT:

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

FY 23: \$909,000 decrease in state sales tax collections
FY 24: \$1,594,000 decrease in state sales tax collections

Jan. 31, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bjs

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 FISCAL IMPACT-SB 1499-[Introduced]-Prepared January 27, 2022

The measure proposes to amend 68 O.S. § 1357 by exempting from the sales tax levy, sales of feminine hygiene products which means tampons, panty liners, menstrual cups, sanitary napkins and other similar products designed for feminine hygiene purposes.

The State of Minnesota which previously enacted a sales tax exemption for sales of similar hygiene products estimates a loss of state sales tax revenue of \$3,400,000 for FY23 for the referenced exemption. Dividing \$3,400,000 by the Minnesota state sales tax rate of 6.875% results in estimated taxable sales of \$49,454,545. Adjusting for differences in population between Minnesota and Oklahoma yields estimated taxable sales of \$34,618,182. Application of the state sales tax rate of 4.5% results in an estimated decrease of \$1,557,818 in sales tax collections. The estimated decrease in state sales tax collections for FY 23¹ is \$908,727 and \$1,593,648 for FY 24².

¹ The measure proposes an effective date of November 1, 2022. Includes seven and one half months of sales tax collections.

² IHS Markit/US Forecast Flash, January 3, 2022 [2.3% for FY 24]