

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 12, 2021

BILL NUMBER: SB 909 **STATUS AND DATE OF BILL:** Introduced 01/21/21

AUTHORS: House n/a Senate Pugh

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

PROPOSAL: Amendatory

The measure amends 68 O.S. § 1356 by exempting from the sales tax levy, sales of tangible personal property or services to a museum that operates as part of an organization which is exempt from taxation pursuant 26 U.S.C., § 501(c)(3) and is not accredited by the American Alliance of Museums. To qualify the described entity must also operate on an annual budget of less than One Million Dollars (\$1,000,000) and maintains a staff of less than five full-time equivalent employees.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

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

FY 22: \$146,000 decrease in state sales tax revenues
FY 23: \$253,000 decrease in state sales tax revenues.

Feb. 12, 2021
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2/13/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/13/21
DATE

Jay Doyle
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 909 - [Introduced] Prepared 02/12/2021

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Information for FY 19 received from the Oklahoma Museum Association (OMA), indicates that approximately 138 non-profit museums with combined estimated annual state sales tax expenditures of \$241,407 could qualify for the proposed sales tax exemption.

The measure proposes an effective date of November 1, 2021. Application of inflation rate adjustments of 1.2%¹ results in an estimated decrease in state sales tax collections of \$145,951 for FY 22² and \$253,204 for FY 23.

¹ Based on latest version of the Consumer Price Index-All Urban Consumers

² Includes seven months of sales tax collections.