

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB 1130
Version:	Committee Substitute
Request Number:	7450
Author:	Rep. Fetgatter
Date:	3/8/2023
Impact:	FY-24 Sales Tax Collections: Decrease of Unknown Amount

Research Analysis

The committee substitute for HB1130 allows a sales tax exemption for qualifying broadband equipment to remain operational without the enactment of a incentive award formula required by current law.

Current law requires the exemption to cease for equipment purchases made on or after January 1, 2024 unless the Legislature adopted an incentive award formula recommended by the Rural Broadband Expansion Council by January 1, 2023. The incentive award formula would have been used to allocate \$42 million that was set aside for any sales tax exemption rebate claims.

Prepared By: Quyen Do

Fiscal Analysis

Officials from the Oklahoma Tax Commission (OTC) anticipate the fiscal implications of HB 1130 as follows:

Section 1 of the measure proposes amendment to Section 1357(43) of Title 68 relating to the sales tax exemption for qualifying broadband equipment to ensure that the exemption will be operative after the effective date of the Act notwithstanding the fact that the exemption was made contingent upon the enactment of an incentive award formula which failed to occur as prescribed in the Enrolled version of HB 2946 of the 1st Session of the 58th Legislature.

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

FY 24: Unknown decrease in state sales tax revenues

Prepared By: John McPhetridge, House Fiscal Staff

Other Considerations

None.

