

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB1653
Version:	Introduced
Request Number:	5130
Author:	McEntire
Date:	2/13/2023
Impact:	OTC Analysis: Unknown

Research Analysis

HB1653, as introduced, provides a sales tax exemption for a 501c3 nonprofit which operates primarily to provide Christmas gifts to underprivileged children and that has been in operation for more than 75 years.

Prepared By: Quyen Do

Fiscal Analysis

HB1653 provides for a sales tax exemption on sales to certain nonprofit entities. Because no qualifying entities were identified through research, the impact of this measure is unknown. As provided by the Oklahoma Tax Commission:

The measure proposes to amend 68 O.S. § 1356 by exempting from the sales tax levy, sales to a nonprofit entity, organized pursuant to Oklahoma law, and is exempt from taxation pursuant to Internal Revenue Code, 26 U.S.C., § 501(c)(3), which has been authorized to conduct its nonprofit activity for a period of at least seventy-five (75) years, and whose primary purpose of which is to provide Christmas gifts, including but not limited to toys, books and clothing, for the benefit of underprivileged children, from infants through grade twelve (12), by fundraising, a significant amount of which is derived from the sale of tangible personal property using either purchased or donated items, but which includes donations from individuals and either for profit or nonprofit entities, monetary or in kind donations, and which performs such other functions as authorized by the laws governing its formation and its articles of organization and by-laws.

Research has not identified any entities that would qualify under the described parameters for the proposed sales tax exemption. Consequently, the impact to state sales tax revenues occurring as a result of this proposal is unknown.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.

