

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	SB1283
Version:	CS
Request Number:	10971
Author:	Speaker McCall
Date:	4/24/2024
Impact:	No Impact

Research Analysis

The committee substitute for SB1283 adds a definition for *bottled water* and *food sold with eating utensils provided by the seller*, as it relates to the state sales tax exemption on groceries and food items. The measure also amends the definition of *prepared food* to clarify that food sold with eating utensils provided by the seller is taxable if it does not include a container or packaging used to transport the food. The definition of *prepared food* is further modified to exclude food sold by a food manufacturer, food sold in an unheated state by weight or volume as a single item and food sold that ordinarily requires additional cooking by the consumer prior to consumption.

The measure also eliminates the temporary moratorium on local sales tax increases on food and food ingredients that would have been in place until June 30, 2025.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, SB1283 adds a definition for bottled water and food sold with eating utensils provided by the seller and amends the definition of prepared food.

The measure also eliminates the temporary moratorium on local sales tax increases on food and food ingredients.

The measure will not have an impact on state sales tax revenues due to the passage of HB 1955.

Analysis by the Oklahoma Tax Commission:

Proposal: SB 1283 PCS1¹ proposes to amend 68 O.S. § 1352, as amended by HB 1955 of the 2nd Session of the 59th Oklahoma legislature, by defining terms such as “bottled water”, and “food sold with eating utensils provided by a seller” and removes the language prohibiting the imposition of local sales tax on “food and food ingredients” after the effective date of this measure.

Impact: The proposed amendments of PCS1 will have no impact on state sales tax revenues for FY24 or FY25.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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