

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: April 11, 2024

BILL NUMBER: HB 3427 **STATUS AND DATE OF BILL:** Senate Floor 4/9/2024

AUTHORS: House: Archer, et al. Senate: Dossett, et al.

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

PROPOSAL: Amendatory

HB 3427 proposes to amend 68 O.S. § 1357 by providing definitions of a “firearm safety device” and “gun safety device” and exempting from sales tax the sale of a “firearm safety device” and “gun safety device”.


EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:

The state of Maine has a sales tax exemption for gun locks and safes. Information from Maine indicates the tax expenditure for this exemption was \$105,000 for FY23. After adjusting for the differences between Maine and Oklahoma in population¹, tax rates, and gun ownership percentages², it was determined an estimated \$271,555 in Oklahoma state sales taxes was collected in FY23 on these devices. Application of inflation rate³ adjustments of 2.3% for 2024, 2.2% for 2025, and 2.1% for 2026 results in the following revenue impact:

FY 25: An estimated decrease of \$166,000 in state sales tax revenues

FY 26: An estimated decrease of \$290,000 in state sales tax revenues

<u>4/11/24</u> DATE	 MARIE SCHUBLE, DIVISION DIRECTOR	<u>msm</u>
<u>4/11/24</u> DATE	<u>Huan Gong</u> HUAN GONG, ECONOMIST	
<u>4/12/2024</u> DATE	<u>Joseph P. Gappa</u> JOSEPH P. GAPPA, 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.

¹U.S. Census data

²Wisevoter.com gun ownership per capita.

³Personal Consumption Expenditure Forecast.