

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 8, 2024

BILL NUMBER: SB 1410 **STATUS AND DATE OF BILL:** Introduced 12/15/2023

AUTHORS: House: n/a Senate: Dahm

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

PROPOSAL: Amendatory

The measure amends 68 O.S. § 1357, exempting from sales tax the sale of firearm ammunition and providing a definition of “firearm” as a gun, rifle, pistol, or shotgun.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:

Based upon information from the U.S. Treasury, an estimated \$2,825,719,105 of ammunition sales were made in FY23. FBI data indicates 1.20% of all National Instant Criminal Background Check System were performed on individuals from Oklahoma. Applying this same percentage to ammunition sales results in an estimated \$33,908,629 in taxable sales of ammunition in Oklahoma and state sales tax collections of \$1,525,888 for FY23. Application of inflation rate¹ 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 \$931,000 in state sales tax revenues.

FY 26: An estimated decrease of \$1,629,000 in state sales tax revenues.

1/8/24

DATE



MARIE SCHUBLE, DIVISION DIRECTOR

msm

1/8/24

DATE

Huan Gong

HUAN GONG, ECONOMIST

1/30/2024

DATE

Joseph P. Gappa

JOSEPH 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.

¹Personal Consumption Expenditure Forecast