

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** January 19, 2024

**BILL NUMBER:** SB 1494      **STATUS AND DATE OF BILL:** Introduced 12/15/23

**AUTHORS:** House: n/a      Senate: Rader

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

**PROPOSAL:** Amendatory

SB 1494 proposes to amend the definition of a qualified aircraft maintenance or manufacturing facility for sales tax exemption<sup>1</sup> [68 O.S. § 1357(16)] to include an expansion. It also reduces the total construction or expansion cost and full-time-equivalent employee requirement thresholds from \$5 million to \$2 million and from 250 to 125, respectively. Further, it eliminates the requirement that the total cost of items purchased<sup>2</sup> by a facility must equal or exceed \$2 million.

**EFFECTIVE DATE:** November 1, 2024

### REVENUE IMPACT:

The entities who may become eligible for the exemption as a result of the proposal are unknown. Consequently, it is estimated that an unknown decrease in state sales tax collections will occur as a result of the proposal.

**FY 25: Unknown decrease in state sales tax collections.**

**FY 26: Unknown decrease in state sales tax collections.**

1/19/24

DATE



MARIE SCHUBLE, DIVISION DIRECTOR

bjs

1/19/24

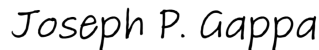
DATE



HUAN GONG, ECONOMIST

1/22/2024

DATE



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.***

<sup>1</sup> The exemption is administered as a refund of state and local taxes paid by the aircraft maintenance or manufacturing facility to the vendor or, in the case of use tax, self-remitted to the State of Oklahoma.

<sup>2</sup> Sales of computers, data processing equipment, related peripherals and telephone, telegraph or telecommunications service and equipment for use in a qualified aircraft maintenance or manufacturing facility are exempt from sales and use tax.