

**OKLAHOMA TAX COMMISSION**

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

**DATE OF IMPACT STATEMENT:** February 6, 2023

**BILL NUMBER: SB 313 STATUS AND DATE OF BILL:** Introduced 01/12/2023

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

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

**PROPOSAL:** Amendatory

The measure proposes to amend 68 O.S. § 1356 by exempting from the sales tax levy, sales of tangible personal property or services to a nonprofit entity located in a county in Oklahoma that has population of at least six hundred thousand (600,000) persons, according to the most recent Federal Decennial Census, that owns or owns and operates a museum with the principal purpose to educate persons about the history of aviation, rocketry, and the United States space program, and which provides educational information on a variety of topics related to aviation and either manned or unmanned exploration of space.

**EFFECTIVE DATE:** November 1, 2023

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 24: \$8,000 decrease in state sales tax collections  
FY 25: \$14,000 decrease in state sales tax collections

Feb. 7, 2023  
DATE

Rick Miller  
DIVISION DIRECTOR

bjs

\_\_\_\_\_  
DATE

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HUAN GONG, ECONOMIST

\_\_\_\_\_  
DATE

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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.***

## **ATTACHMENT TO REVENUE IMPACT - SB 313- [Introduced] Prepared 2/06/23**

The measure proposes to amend 68 O.S. § 1356 by exempting from the sales tax levy, sales of tangible personal property or services to a nonprofit entity located in a county in Oklahoma that has population of at least six hundred thousand (600,000) persons, according to the most recent Federal Decennial Census, that owns or owns and operates a museum with the principal purpose to educate persons about the history of aviation, rocketry, and the United States space program, and which provides educational information on a variety of topics related to aviation and either manned or unmanned exploration of space.

Presently, there is one known organization that is not exempted by other statutory provisions, which could qualify for the proposed sales tax exemption. Information previously received from the entity relating to a similar legislative proposal introduced in CY 2020 indicates that state and local sales tax in the amount of \$21,052 was paid on its purchases of utilities and other sales taxable items for FY 19. Of this amount 52% or 10,947 is attributed to state sales tax. The organization has recently been contacted and has expressed an intent to provide updated sales tax expenditure information. Upon receipt the revenue estimate will be updated accordingly. The measure proposes an effective date of November 1, 2023. Assuming similar expenditures for FY 24 and FY 25 as those incurred in FY 19 along with application of inflation rate adjustments<sup>1</sup> results in an estimated decrease in state sales tax collections of \$7,759 for FY 24<sup>2</sup> and \$13,568 for FY 25.

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<sup>1</sup> IHS Markit/US Forecast Flash, January 3, 2022 and 2023 [1.2% for FY 20, 4.7% for FY 21, 8.0% for FY 22, 3.9% for FY 23, 2.2% for FY 24 and 2.0% for FY 25].

<sup>2</sup> Includes seven months of state sales tax collections.