

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 1, 2023

BILL NUMBER: SB 463

STATUS AND DATE OF BILL: Introduced 1/17/2023

AUTHORS: House n/a

Senate Thompson (Roger)

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

PROPOSAL: Amendatory

The measure proposes amendment to 68 O.S. § 1357 by extending the sunset date of the sales tax exemption for sales of rolling stock¹ by the manufacturer thereof from July 1, 2024 to July 1, 2029. In addition, the measure also removes the existing criteria that in order for the sale to be exempt, it must be made by the manufacturer of the "rolling stock".

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: Unknown decrease in state sales tax revenues.

FY 25: Unknown decrease in state sales tax revenues.

Feb. 5, 2023
DATE

Rick Miller
DIVISION DIRECTOR

msm

2/6/2023
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/7/2023
DATE

Joseph P Gappa
FOR THE COMMISSION

The estimated 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.

¹ "Rolling stock" means locomotives, autocars, and railroad cars

ATTACHMENT TO REVENUE IMPACT - SB 463 - [Introduced] Prepared 02/01/23

The measure proposes amendment to 68 O.S. § 1357 by extending the sunset date of the sales tax exemption for sales of rolling stock² by the manufacturer thereof from July 1, 2024 to July 1, 2029. In addition, the measure also removes the existing criteria that in order for the sale to be exempt, it must be made by the manufacturer of the "rolling stock".

Sales tax is not reported to the Tax Commission in such a manner to allow the capture of remittance data relating to sales of rolling stock made by entities other than its manufacturer. Therefore, it is not known the extent to which the removal of the described exemption qualification requirement will impact state sales tax revenues. Consequently, it is estimated that an unknown decrease in state sales tax revenues will occur for FY 24 and FY 25.

² "Rolling stock" means locomotives, autocars, and railroad cars