

# 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 961    **STATUS AND DATE OF BILL:** Introduced 01/19/2023

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

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

**PROPOSAL:** Amendatory

The measure amends 68 O.S. § 1358 for purposes of qualifying for the sales tax exemption for agricultural production by providing that agricultural products include timber and farming or farm includes the production of timber, seedling production, and forestry management.

**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. 8, 2023                      Rick Miller                      msm  
DATE                                      DIVISION DIRECTOR

2/8/2023                              Huan Gong  
DATE                                      HUAN GONG, ECONOMIST

2/8/2023                              Joseph P Gappa  
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.**

## **ATTACHMENT TO REVENUE IMPACT SB 961 [Introduced] Prepared 01/23/2023**

The measure amends 68 O.S. § 1358 for purposes of qualifying for the sales tax exemption for agricultural production by providing that agricultural products include timber and farming or farm includes the production of timber, seedling production, and forestry management.

As of January 1, 2022, sales of commercial forestry service equipment, limited to forwarders, fellers, bunchers, track skidders, wheeled skidders, hydraulic excavators, delimiters, soil compactors and skid steer loaders, to businesses engaged in logging, timber and tree farming were made exempt pursuant to the passage of HB 1588. Therefore, a large portion of heavy equipment associated with the timber industry is already exempt from sales tax. However, the amount of land that is currently being used for timber production, seedling production, and forestry management is unknown as are the number of new agricultural permit holders that are to be exempted by this measure. Consequently, an unknown decrease in state sales tax revenues is estimated for FY 24 and FY 25.