

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1183
Version:	SUBPCS1
Request Number:	12652
Author:	Rep. Grego
Date:	2/19/2025
Impact:	FY26: \$2,810,789 decrease in revenue
	FY27: \$4,216,184 decrease in revenue

Research Analysis

The subcommittee substitute for HB1183 simplifies how motor vehicle excise tax is determined for vehicle purchases. The measure requires the tax to be based on the actual sales price of the vehicle and removes any consideration to the average retail price of the vehicle.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB1183 requires the vehicle excise tax to be based on the actual sales price and eliminates the 20% adjustment above and below the average retail price when determining the taxable value.

Officials from Service Oklahoma have provided the following analysis:

Fiscal Impact: FY26: \$2,810,789 Increase in Motor Vehicle Excise Tax Collections
FY27: \$4,216,184 Increase in Motor Vehicle Excise Tax Collections

Fiscal Impact Report: Under current law, taxable value is required to be within 20% of the average retail price as listed in automotive reference materials, effectively setting a floor and ceiling on the value subject to excise tax. By removing this requirement, taxable values may decrease in some cases and increase in others.

Based on FY2024 figures, the projected impact of these modifications is a net increase of \$4,216,183.98 in excise tax collections over a full fiscal year.

Policy Change	Impact on Taxable Value	Impact on Excise Tax
Elimination of the adjustment below 20% of average retail price (Previously, taxable value could not fall below 80% of the average retail price, increasing the tax base)	\$(1,010,328,052.72)	\$(32,835,661.71)
Elimination of the adjustment above 20% of average retail price (Previously, taxable value could not exceed 120% of the average retail price, reducing the tax base)	\$1,140,056,790.41	\$37,051,845.69
Total impact for removal of 20% adjustment		\$4,216,183.98

The removal of the 20% adjustment cap has a mixed impact:

- Eliminating the lower cap (80% of retail value minimum) results in a decrease in taxable vehicle value, reducing excise tax revenue.
- Eliminating the upper cap (120% of retail value maximum) increases taxable value in some cases, slightly offsetting the reduction.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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