

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB 1202
Version:	INT
Request Number:	10186
Author:	Rep. Maynard
Date:	2/4/2025
Impact:	\$20,000,000 decrease in State revenue

Research Analysis

HB1202, as introduced, allows sellers and vendors to keep 1 percent of their sales or use tax collections as compensation for keeping tax records, filing reports and remitting the tax when due. The amount is limited to \$2500 per month per sales tax permit and vendors with a direct payment permit are not allowed to take part.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB 1202 proposes to allow certain vendors to retain 1% of monthly sales/use taxes due, with a monthly cap of \$2,500.

The Oklahoma Tax Commission (OTC) has provided the following fiscal impact analysis:

ESTIMATED REVENUE IMPACT:

FY26: Sales Tax

State sales tax: an estimated **decrease of \$16.8 million.**

City/county sales tax an estimated **decrease of \$14.6 million.**

Use Tax

State use tax: an estimated **decrease of \$3.2 million.**

City/county use tax: an estimated **decrease of \$2.7 million.**

ANALYSIS: For purposes of compensating vendors for record maintenance and the timely filing and remittance of sales and use tax, the measure proposes to allow vendors to retain 1% of monthly sales/use taxes due, with a monthly cap of \$2,500.

Based upon Oklahoma Tax Commission records, the measure will result in an estimated decrease of \$16.8 million in state sales tax revenues and \$3.2 million in state use tax revenues for FY26. The measure will also have an impact on local sales & use taxes and result in an estimated decrease of \$12.4 million in city sales tax revenues and \$2.2 million in county sales tax revenues for FY26, along with an estimated decrease of \$2.3 million in city use tax revenues and \$400 thousand in county use tax revenues for FY26.

ADMINISTRATIVE IMPACT:The measure will require system development, which is estimated to take about 2 months and a one-time administrative cost of approximately \$60,000 in FY26. Due to the time needed for system development, full implementation may occur after the July 1 effective date of this proposal.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.

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