

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1482
Version:	INT
Request Number:	12148
Author:	Rep. West (Tammy)
Date:	2/19/2025
Impact:	Unknown minimal increase in revenue

Research Analysis

HB1482, as introduced, adds membership dues and fees for automatic tunnel car washes to the list of property and services that are subject to the state sale tax.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB1482 proposes to subject membership, dues, and fees associated with automatic tunnel car washes to Oklahoma sales tax.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY26: Unknown minimal increase in state sales tax revenues.

ANALYSIS: The measure defines "automatic tunnel car wash" and makes the membership, dues, and fees associated with the use of such a device subject to Oklahoma sales tax. The term excludes certain activities provided by an employee (such as cleaning the interior). Customers that pay per use would not be subject to sales tax.

There are numerous automatic car wash facilities in the State with a range of business models. Many operate without memberships and would not have taxable services pursuant to this measure. Many operate with a combination of pay per use and membership options, as well as options that include employee services. Although the measure would apply to several facilities' services and may create a positive revenue impact, a change in business practice that moves away from taxable "memberships" could limit the amount of tax collected pursuant to this measure.

ADMIN CONCERN: Currently, unless a car wash is selling taxable tangible personal property (e.g., air fresheners, candy, etc.), then they are not registered with the Oklahoma Tax Commission (OTC). Since the legislation proposes taxing a specific type of service transaction within a service company framework, it will be difficult for the OTC to pinpoint establishments offering taxable services for registration and compliance with the proposed measure. This contributes to the estimated unknown impact.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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