

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1864
Version:	INT
Request Number:	11693
Author:	Rep. Roberts
Date:	2/19/2025
Impact:	FY26: \$1.2 million decrease in revenue
	FY27: \$2.1 million decrease in revenue

Research Analysis

HB1864 amends the sales tax exemption for 100 percent disabled veterans by excluding vehicle purchases from the \$25,000 exemption limit and establishing a separate \$20,000 exemption limit for vehicle purchases once every five years.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB1864 proposes to add a \$20,000 cap on vehicle sales qualifying for the tax exemption made by eligible 100% disabled veterans.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY26: \$1.2 million decrease in sales tax collections.

FY27: \$2.1 million decrease in sales tax collections.

ANALYSIS: HB 1864 proposes to amend 68 O.S. § 1357 (34) by adding an additional \$20,000 cap on vehicle sales qualifying for the tax exemption made by eligible 100% Disabled Veterans, as long as the veteran is living, and the exemption has not been used for a vehicle in the preceding five years. The measure retains the existing \$25,000 cap and allocates this amount for exemptions on qualifying sales of tangible personal property and services, other than a vehicle.

Information from Service Oklahoma indicates that 8,383 eligible 100% Disabled Veterans claimed an average of \$18,273 of the existing \$25,000 sales tax exemption on qualifying vehicle purchases in FY24. Assuming similar trends, adjusting for inflation, and accounting for the Nov. 1 effective date, there may be an additional decrease of \$1.2 million in sales tax collections for FY26, and a decrease of \$2.1 million for FY27.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

