



BILL/VERSION: SB 59 / COMMITTEE SUB **ANALYST:** MM
AUTHORS: Sen. Rader **DATE:** 3/5/2025
TAX(ES): Sales Tax
SUBJECT(S): Exemption
EFFECTIVE DATE: Nov. 1, 2025 **Emergency**

ESTIMATED REVENUE IMPACT:

FY26: Estimated \$2,000 decrease in state sales tax collections.

FY27: Estimated \$3,500 decrease in state sales tax collections.

ANALYSIS: SB 59 proposes to amend 68 O.S. § 1356 by exempting from the state sales tax levy sales of tangible personal property and services to or by a 501(c)(3) organization whose principal purpose is to provide school supplies or articles of clothing for underserved students attending grades pre-K through 12 at public schools in this state. The introduced version allowed eligible entities to transfer their exemption to contractors for construction purposes; the committee amendment removes this provision.

Currently, one organization has been identified which could qualify for the proposed sales tax exemption. In FY 24, it paid an estimated \$5,929 in sales tax, of which \$3,083 is attributed to state sales tax. Assuming similar taxable expenditures for FY26 and FY27, and accounting for inflation¹, results in an estimated decrease in state sales tax collections of \$1,906 for FY26 (a November 1, 2025 effective date impacting approximately 7 months of sales tax collections) and \$3,330 for FY27.

¹ S&P Global Market Intelligence/US Forecast Flash, December 31, 2024 [PCE price excl. food & energy: 2.9% for FY25, 3.0% for FY26 and 1.9% for FY27].

3/5/25	<i>Huan Gong</i>
DATE	DR. HUAN GONG, CHIEF TAX ECONOMIST
3/5/25	<i>Marie Schuble</i>
DATE	MARIE SCHUBLE, DIVISION DIRECTOR
3/5/25	<i>Joseph P. Gappa</i>
DATE	JOSEPH P. GAPPA, 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.

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