

# MEMORANDUM

## OKLAHOMA TAX COMMISSION TAX POLICY DIVISION

Date: February 24, 2014  
To: Rick Miller, Director  
Tax Policy Division  
From: Christy Caesar  
Tax Policy Analyst  
Subject: SB 1602 [Proposed Committee Substitute]

This is in response to your request for a revenue impact for SB 1602 [Proposed Committee Substitute]. Sections 4 and 10 of the proposed measure affect administrative duties of the Tax Commission and are outlined below:

### Section 3

Defines alternative nicotine product and vapor product for purposes of the Prevention of Youth Access to Tobacco Act and excludes alternative nicotine products and vapor products from the definition of tobacco products contained therein.

### Section 4

Provides that each violation of Section 600.3 of Title 37 by an employee of a store engaged in the sale of alternative nicotine products or vapor products shall be deemed a violation against the owner for purposes of a sales tax permit suspension. The Section also provides that a store's sales tax permit shall be suspended by the Tax Commission upon notification by ABLE of a storeowner's failure to pay an administrative fine imposed pursuant to Section 600.3 of Title 37 for violations relating to alternative nicotine products or vapor products.

### Section 12

In addition to the other information currently provided pursuant to Section 600.11 of Title 37, this amendment requires the Tax Commission to provide ABLE and each municipality which has ordinances concerning the Prevention of Youth Access to Tobacco Act, the location, name, and address of each licensee licensed to sell alternative nicotine products or vapor products at retail or otherwise furnish alternative nicotine products or vapor products.

The measure will have no impact on sales, cigarette, or tobacco tax revenues.

For vendors to be properly licensed by the OTC to sell vapor and alternative nicotine products issuance of a sales tax permit is the only license required currently. The information submitted by vendors to obtain and maintain a valid permit does not necessarily indicate that a business is or will be engaged in such sales.