

OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-FOURTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 31, 2013
BILL NUMBER: SB 321 STATUS AND DATE OF BILL: Introduced 01/14/2013
AUTHORS: House n/a Senate Mazzei
TAX TYPE (S): Sales Tax SUBJECT: Administrative
PROPOSAL: Amendatory & Repealer

Section 1

Amends paragraph 1 of Section 1359 of Title 68 which sets forth the sales tax exemption for manufacturers to correct an erroneous statutory reference to paragraph 9 of Section 1352 of Title 68 which currently defines "electronic". The reference should be to paragraph 14 of Section 1352 which defines "manufacturing".

Section 2

The measure repeals Section 1368.2 of Title 68 which requires the Tax Commission to annually mail to all holders of sales tax permits a notice informing such permit holder of the statutory penalties for violations of the Oklahoma Sales Tax Code.

EFFECTIVE DATE: November 1, 2013

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 14: Section 1-None
Section 2-None
FY 15: Section 1-None
Section 2-None

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 14: \$36,700 decrease in costs to the Tax Commission

<u>Jan. 30, 2013</u> DATE	<u>Rick Miller</u> DIVISION DIRECTOR	<u>msm</u>
<u>1-31-2013</u> DATE	<u>Reece Womack</u> REECE WOMACK, ECONOMIST	
<u>2/1/13</u> DATE	<u>Dan Cash</u> FOR THE COMMISSION	

ATTACHMENT TO FISCAL IMPACT SB 321 [Introduced] Prepared January 31, 2013.

Section 1

Amends paragraph 1 of Section 1359 of Title 68 which sets forth the sales tax exemption for manufacturers to correct an erroneous statutory reference to paragraph 9 of Section 1352 of Title 68 which currently defines "electronic". The reference should be to paragraph 14 of Section 1352 which defines "manufacturing". When Section 1359(1) was amended by Laws 1998 c. 301 § 7, paragraph 9 of Section 1352 defined "manufacturing" which is presently defined in paragraph 14 of Section 1352.

The proposed amendment is not substantive and therefore no fiscal or administrative impact is associated with Section 1 of this measure.

Section 2

The measure repeals Section 1368.2 of Title 68 which requires the Tax Commission to annually mail to all holders of sales tax permits a notice informing such permit holder of the statutory penalties for violations of the Oklahoma Sales Tax Code. The Notice to Vendors of Penalties for Violating the Oklahoma Sales Tax Code will continue to be posted on the OTC website and will be provided when a taxpayer applies for a sales tax permit.

In accordance with the Section 1368.2 of Title 68, this past year, 84,123 penalty notices were sent by the OTC to Oklahoma vendors. The cost of postage, paper and envelopes in the approximate of \$36,700 is attributable to this mailing. Therefore, repeal of this measure would result in administrative savings to the OTC of approximately \$36,700.