

**OKLAHOMA TAX COMMISSION**

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

**DATE OF IMPACT STATEMENT:** February 12, 2015

**BILL NUMBER:** SB 437 **STATUS AND DATE OF BILL:** Introduced January 21, 2015

**AUTHORS:** House n/a Senate Mazzei

**TAX TYPE (S):** Sales Tax **SUBJECT:** Exemption

**PROPOSAL:** Amendatory 68 O.S. § 1356(26)

The measure proposes to expand the sales tax exemption for sales of admissions by museums accredited by the American Association of Museums<sup>1</sup> to include aquariums exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

**EFFECTIVE DATE:** November 1, 2015

**REVENUE IMPACT:**

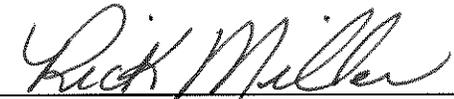
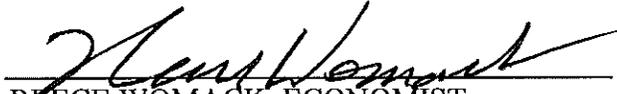
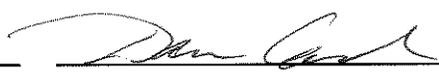
Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 16: \$80,000 decrease in state sales tax revenues  
FY 17: \$137,000 decrease in state sales tax revenues

**ADMINISTRATIVE IMPACT:**

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

FY 16: None

<u>Feb. 12, 2015</u>	<u></u>	<u>msm</u>
DATE	DIVISION DIRECTOR	
<u>2-13-15</u>	<u></u>	
DATE	REECE WOMACK, ECONOMIST	
<u>2/13/15</u>	<u></u>	
DATE	FOR THE COMMISSION	

<sup>1</sup> Now known as the American Alliance of Museums.

**ATTACHMENT TO FISCAL IMPACT SB 0437 - [Introduced] - Prepared 02/12/2015**

The measure proposes to expand the sales tax exemption for sales of admissions by museums accredited by the American Association of Museums to include aquariums exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. Currently, in order to qualify for exemption, the accredited museum must separately state an amount equivalent to the sales tax which would otherwise have been required to be collected on the face of the admission ticket and must use that amount collected solely for the purpose of servicing debt incurred by the museum in the construction, enlargement, or renovation of facilities used or to be used for the entertainment, edification, or cultural cultivation of persons admitted to the museum or facility. This proposal would also allow the collected amounts to be used for the purpose of promoting visitation primarily to out-of-state residents.

There is one known aquarium which could qualify for the proposed sales tax exemption. Tax Commission records indicate state sales tax collections for admission sales by this entity in the amount of 137,410 for FY 14. It is assumed for purposes of this impact that this entity would meet the qualification requirements of the referenced sales tax exemption.

With an effective date of November 1, 2015, an estimated decrease in state sales tax collections of \$80,156 will occur in FY 16<sup>2</sup> and an estimated decrease in state sales tax collections of \$137,410 will occur in FY 17.

Presently, there are 13 Oklahoma museums accredited by the American Alliance of Museums, formerly known as the American Association of Museums. The revenue impact directly attributable to the provision which adds, for exemption eligibility purposes, the promotion of visitation to out-of-state residents as a purpose for which the funds collected may be utilized by the qualifying entities is unknown.

---

<sup>2</sup> Includes seven months of sales tax collections.