

**OKLAHOMA TAX COMMISSION**

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

DATE OF IMPACT STATEMENT: February 5, 2015

BILL NUMBER: SB 574 STATUS AND DATE OF BILL: Introduced January 22, 2015

AUTHORS: House N/A Senate Shortey

TAX TYPE (S): Charity Games & Sales Tax SUBJECT: Exemption

PROPOSAL: Amendatory

SB 574 proposes to amend 3A O.S. §421 by exempting a 501(c)(3) charitable healthcare organization from the charity games tax. SB 574 also proposes to amend 68 O.S. §1355 by exempting a 501(c)(3) charitable healthcare organization from sales tax on charitable games equipment.

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 15: Minimal decrease in charity games collections

FY 16: Minimal decrease in charity games collections

ADMINISTRATIVE IMPACT:

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

FY 15: No impact

Feb. 5, 2015  
DATE

Rich Miller  
DIVISION DIRECTOR

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2-5-15  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

2/6/15  
DATE

Don Casper  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT-SB 574-[Introduced] Prepared 02/05/2015**

SB 574 proposes to exempt a 501(c)(3) charitable healthcare organization<sup>1</sup> from the charity games tax. SB 574 also proposes to amend 68 O.S. §1355 by exempting a 501(c)(3) charitable healthcare organization from sales tax on charitable games equipment. After consulting industry representatives, it is believed that there will be a minimal decrease to charity game collections due to the infrequency of charity game transactions by these entities. There would not be a resulting decrease in sales tax collections since currently the sale of charity games equipment is exempt from the levy of sales tax when charity games tax is levied thereon.

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<sup>1</sup> To be considered a qualified healthcare organization, the healthcare organization “must be organized and operated exclusively in furtherance of some purpose considered ‘charitable’ in the generally accepted legal sense of that term, and . . . may not be operated, directly or indirectly, for the benefit of private interest.” IRS Rev. Rul. 69-545, 1969-2 C.B. 117.