

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3143</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>9547</b>
<b>Author:</b>	<b>Rep. Dunnington</b>
<b>Date:</b>	<b>2/28/2018</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>\$0 Revenue Change</b>
	<b>Unknown Cost or Savings to the Tax Commission</b>

**Research Analysis**

HB3143, as introduced, relates to a sales tax exemption for 100 percent disabled veterans. The measure prohibits vendors from requiring additional verification from persons with a valid exemption card issued by the Oklahoma Tax Commission showing proof of eligibility for the exemption.

Prepared By: Quyen Do

**Fiscal Analysis**

From the Tax Commission:

In accordance with the Oklahoma Sales Tax Code vendors must keep records of all sales of tangible personal property. These records must include receipts from all sales distinguishing taxable from nontaxable receipts. It is presumed that all sales of tangible personal property are subject to tax until the contrary is established, and the burden of proving that a transaction was not a taxable sale is on the vendor who made the sale. In the event the vendor cannot properly document a nontaxable/exempt sale, the vendor will be held liable for the sales tax due on the transaction. 68 O.S. § 1365 and OAC 710:65-3-30.

In order to meet the above-referenced requirements, vendors have adopted systems to document the numerous sales tax exemptions that may be claimed on a day-to-day basis. Once a person provides to a vendor the card issued by the Tax Commission which indicates their exempt status, the store issues the person an account number and corresponding store card. When presented the transaction will be exempted from state and local sales tax and the vendor is able to efficiently document the nontaxable nature of the receipts involved in the transaction.

Prepared By: Mark Tygret

**Other Considerations**

None.

