

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	SB 906
Version:	ENGR
Request Number:	NA
Author:	Rep. Hardin
Date:	3/28/2018
Impact:	Tax Commission:
	Decrease in Sales Tax Collections:
	FY-19: \$333,000
	FY-20: \$499,000

Research Analysis

Engrossed SB906 modifies a sales tax exemption for 100 percent disabled veterans. Currently, there is a \$25,000 cap on the amount that may be exempt from sales tax each calendar year for an eligible veteran. The measure proposes to exclude the purchase cost of a motor vehicle from being attributable to the annual cap.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

Oklahoma Tax Commission records indicate a total of 2,291 vehicles with a total purchase price of \$57,106,789 were purchased from July 1, 2017 through December 31, 2017 on which a 100% disabled veteran sales tax exemption was claimed. During the stated period, sales taxes in the amount of \$249,495 were paid on these purchases. Projecting like amounts for remaining six months of FY 18 results in estimated state sales tax of \$498,990.

The measure provides for a November 1, 2018 effective date.

Assuming similar transactions as those experienced in FY 18, an estimated \$333,000 decrease in state sales tax revenues is estimated to occur for FY 19. A decrease in state sales tax of \$499,000 is estimated for FY 20.

Prepared By: Mark Tygret

Other Considerations

None.