

OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-SIXTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: February 14, 2018

BILL NUMBER: SB 1236 **STATUS AND DATE OF BILL:** Introduced 01/18/2018

AUTHORS: House n/a Senate Dahm

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

PROPOSAL: Amendatory

The measure proposes to amend 68 O. S. § 1357 by sunseting November 1, 2018 the sales tax exemption for sales of advertising space in newspapers and periodicals and sales advertising on billboards¹ or in programs relating to sporting and entertainment events, and sales of any advertising, to be displayed at or in connection with a sporting event, via the Internet, electronic display devices, or through public address or broadcast systems.

EFFECTIVE DATE: November 1, 2018

REVENUE IMPACT:

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

FY 19: Unknown increase in state sales tax collections

FY 20: Unknown increase in state sales tax collections

ADMINISTRATIVE IMPACT:

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

FY 19: None

Feb. 14, 2018
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2-14-18
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2-15-18
DATE

Jimmy McInt
FOR THE COMMISSION

¹ Includes signage, posters, panels, marquees, or on other similar surfaces, whether indoors or outdoors.

ATTACHMENT TO FISCAL IMPACT-SB 1236-[Introduced]-Prepared February 14, 2018

The measure proposes to amend 68 O. S. § 1357 by sunseting November 1, 2018 the sales tax exemption for sales of advertising space in newspapers and periodicals and sales advertising on billboards² or in programs relating to sporting and entertainment events, and sales of any advertising, to be displayed at or in connection with a sporting event, via the Internet, electronic display devices, or through public address or broadcast systems.

Sales of programs at sporting and entertainment events would continue to be exempt from sales tax along with sales of any advertising, other than the advertising described above, via the Internet, electronic display devices, or through the electronic media³ and cable and satellite television, and the servicing of any advertising devices.

The Oklahoma Tax Commission *Tax Expenditure Report for FY 16* reports that an estimated \$48,066,000 in state sales tax is attributable to the sales tax exemption outlined in paragraphs 4,5,6 of Section 1357 of Title 68. The affected advertising sales are not reported to the Tax Commission in such a way to allow specific characterization of these transactions for purposes of estimating the associated sales tax. Therefore, an unknown increase in state sales tax collections is estimated to occur in FY 19 and FY 20.

² Includes signage, posters, panels, marquees, or on other similar surfaces, whether indoors or outdoors.

³ Includes radio, public address or broadcast systems, television (whether through closed circuit broadcasting systems or otherwise).