

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 1255 **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. § 1354 by eliminating the exclusion of newspapers and periodicals from the sales tax levy imposed on sales of tangible personal property.

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: \$6,695,000 increase in state sales tax collections

FY 20: \$11,719,000 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

Jim Mint
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT-SB 1255-[Introduced]-Prepared February 14, 2018

The measure proposes to amend 68 O.S. § 1354 by eliminating the exclusion of newspapers and periodicals from the sales tax levy imposed on sales of tangible personal property.

The Oklahoma Tax Commission *Tax Expenditure Report for FY 16* estimates that \$10,784,000 in state sales tax is attributable to the exclusion of newspaper and periodical sales from the sales tax levy.

The measure proposes an effective date of November 1, 2018. Application of the annual inflation rate adjustments of 2.1%¹ yields an estimated increase in state sales tax collections for FY 19 of \$6,695,359² and \$11,718,792 for FY 20 (again applying a 2.1% inflation rate adjustment).

¹ Based on the latest version of the Consumer Price Index-All Urban Consumers.

² Includes seven months of sales tax collections.