

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** February 2, 2017

**BILL NUMBER:** SB 189 **STATUS AND DATE OF BILL:** Introduced 01/17/17

**AUTHORS:** House n/a Senate Floyd

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

**PROPOSAL:** Amendatory

The measure proposes to amend 68 O. S. § 1357 by exempting from the sales tax levy, sales of tangible personal property or services to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and operates as a collaborative model which connects community agencies in one location to serve individuals and families affected by violence and where victims have access to services and advocacy at no cost to the victim.

**EFFECTIVE DATE:** November 1, 2017

### REVENUE IMPACT:

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

FY 18: Minimal decrease in sales tax collections

FY 19: Minimal decrease in sales tax collections

### ADMINISTRATIVE IMPACT:

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

FY 18: None

Feb. 2, 2017  
DATE

Rick Miller  
DIVISION DIRECTOR

bjs

2-2-17  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

2/2/17  
DATE

Don Carls  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT-SB 189-[Introduced]-Prepared February 2, 2017.**

The measure proposes to amend 68 O. S. § 1357 by exempting from the sales tax levy, sales of tangible personal property or services to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and operates as a collaborative model which connects community agencies in one location to serve individuals and families affected by violence and where victims have access to services and advocacy at no cost to the victim.

There is one known organization which could qualify for the proposed sales tax exemption. Information received from the entity indicates a FY 16 expenditure amount for tangible personal property of \$11,652. Applying the state sales tax rate of 4.5% yields a decrease in state sales tax collections of \$524.

With a proposed November 1, 2017 effective date and 2.2% inflation rate adjustments<sup>1</sup> the combined decrease in state tax collections for FY 18 is \$319<sup>2</sup> and \$559 for FY 19.

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<sup>1</sup> Based on latest version of the Consumer Price Index-All Urban Consumers

<sup>2</sup> Includes seven and one half months of sales tax expenditures and collections.