

# OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 20, 2017

BILL NUMBER: SB 520 STATUS AND DATE OF BILL: Introduced 01/19/17 [REVISED]

AUTHORS: House n/a Senate Shortey

TAX TYPE (S): Sales Tax SUBJECT: Exemption

PROPOSAL: Amendatory

The measure proposes amendment to 68 O.S. § 1357 by striking the language *within the corporate limits of a municipality except by taxicabs* which currently qualifies the sales tax exemption for sales of local transportation of persons.

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: \$19,000 decrease in state sales tax collections

FY 19: \$30,000 decrease in state sales tax collections

### ADMINISTRATIVE IMPACT:

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

FY 18: None

Feb. 20, 2017  
DATE

Rick Miller  
DIVISION DIRECTOR

bjs

2-20-17  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

2/20/17  
DATE

[Signature]  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT-SB 520-[Introduced]-Prepared February 20, 2017**

The measure proposes amendment to 68 O.S. § 1357 by striking the language *within the corporate limits of a municipality except by taxicabs* which currently qualifies the sales tax exemption for sales of local transportation of persons.

Presently, all transportation services provided by taxicabs are exempt from sales tax. Regarding other transportation service providers only those transactions involving the local transportation of persons which transpire wholly within the corporate limits of a municipality are exempt from tax. The proposed amendment would serve to exempt all transactions involving sales of local transportation of persons regardless of the provider or route taken.

Sales tax remittance records for limousine services and other ground passenger transportation providers indicate state sales tax collections of \$29,644 for FY 16.

The measure proposes an effective date of November 1, 2017. Application of annual inflation rate adjustments of 2.2%<sup>1</sup> yields an estimated decrease in state sales tax collections for FY 18 of \$19,352<sup>2</sup> and \$30,325<sup>3</sup> for FY 19.

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

2 Includes seven and one half months of sales tax collections.

3 Includes eleven and one half months of sales tax collections.