

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** February 9, 2018

**BILL NUMBER:** SB 906 **STATUS AND DATE OF BILL:** Introduced 12/30/2017

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

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

**PROPOSAL:** Amendatory

The measure proposes to amend Section 1357 of Title 68 of the Oklahoma Statutes by excluding the sales price of a purchased vehicle from the \$25,000 sales allowance applicable to the sales tax exemption afforded qualifying 100% disabled veterans.

**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: \$333,000 decrease in state sales tax revenues

FY 20: \$499,000 decrease in state sales tax revenues

### ADMINISTRATIVE IMPACT:

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

FY 19: none

Feb. 9, 2018  
DATE

Rick Miller  
DIVISION DIRECTOR

msm

2-9-18  
DATE

Keece Womack  
KEECE WOMACK, ECONOMIST

2-9-18  
DATE

Jon Whit  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT – SB 906 – [Introduced] – Prepared February 9, 2018**

The measure proposes to amend Section 1357 of Title 68 of the Oklahoma Statutes by excluding the sales price of a purchased vehicle from the \$25,000 sales allowance applicable to the sales tax exemption afforded qualifying 100% disabled veterans.

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 the 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.