

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 1005
Version:	INT
Request Number:	5350
Author:	Rep. Sims
Date:	2/7/2019
Impact:	Tax Commission:
	Revenue Decrease –
	FY-20: \$86,000
	FY-21: \$149,000

Research Analysis

HB1005, as introduced, expands a sales tax exemption for sales of tickets for admission for accredited museums to any aquarium that is either registered as 501c3 organization or is owned or operated by a public or political subdivision of the state. To qualify for the exemption, state law currently requires the organization receiving the exemption to charge an amount equivalent to the amount of tax that would have been collected as a separate fee to be used for various debt servicing or cultural cultivation costs. The measure expands the allowed uses of the fee to include costs associated with education, conservation and promoting visitation to out of state residents.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

Based upon Oklahoma Tax Commission sales tax reporting records, a total of \$255,443 in state and local sales taxes were remitted in FY 18 from one identified entity which could potentially qualify under the parameters of the proposed exemption, of which \$136,568 was state sales tax. It is assumed for purposes of this impact that the entirety of the sales tax reported is associated with ticket sales. The measure proposes an effective date of November 1, 2019. Application of growth rate adjustments¹ results in an estimated decrease in state sales tax collections of \$85,519 for FY 20² and \$148,524 for FY 21.

1 Along with a growth rate of 5.13% for FY 19, 2.11% for FY 20, and 1.31% for FY 21.

2 Includes seven months of sales tax collections.

Prepared By: Mark Tygret

Other Considerations

None.

