

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 1998
Version:	INT
Request Number:	7176
Author:	Rep. Boatman
Date:	2/10/2019
Impact:	Tax Commission:
	Revenue Decrease
	\$20,816,400

Research Analysis

HB1998, as introduced, lowers the disability rating required to be eligible for a motor vehicle excise tax exemption for disabled veterans. Currently, only 100% percent disabled veteran are eligible for a motor vehicle excise tax exemption for one vehicle purchase every three years. The measure extends the exemption to veterans with a permanent or temporary disability at or above 30 percent.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

Oklahoma Department of Veterans Affairs indicates that there are approximately 83,000 veterans with service connected disabilities which are not presently eligible for the vehicle excise tax exemption afforded 100% qualifying disabled veterans. Further, the Department represents that these veterans' disabilities are not deemed permanent as presently required under the current exemption statute.

For purposes of this impact it is assumed that all 83,000 disabled veterans would qualify for the exemption as amended. Projections based on previously claimed vehicle excise tax exemptions by 100% disabled veterans indicate that 30% of the eligible disabled veterans receive the excise tax exemption in any given year. Application of this percentage to all the remaining 83,000 veterans in receipt of disability compensation yields an additional 24,900 disabled veterans annually claiming the vehicle excise tax exemption. Multiplying the estimated additional veterans by \$836 the average vehicle excise tax on similar transactions yields an estimated annual vehicle excise tax revenue loss in the amount of \$20,816,400 for FY 20.

Prepared By: Mark Tygret

Other Considerations

None.

