

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3220</b>
<b>Version:</b>	<b>Floor Amendment 1</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Dustin Roberts</b>
<b>Date:</b>	<b>3/10/2020</b>
<b>Impact:</b>	<b>FY-22 Revenue Impact: see below</b>

**Research Analysis**

Pending

Prepared By: House Research Staff

**Fiscal Analysis**

With the adoption of Floor Amendment 1 the fiscal impact for HB 3220 would be as follows:

***Sales/Use Tax Modifications***

HB 3220 in its current form eliminates a partial use/sales tax exemption for public highway electrical vehicles. The elimination will make the purchase of public highway electrical vehicles subject to the full state portion of sales/use tax, (4.5%), provided the sales tax is capped at \$1,500 per electric vehicle purchase. Such vehicles are currently subject to a 1.25% use/sales tax.

Officials for the Tax Commission, estimate 2,683 sales of such electric vehicles occurring in FY-22 at an average price of \$55,600 per vehicle. Based on these assumptions it is estimated that the application of the full 4.5% state portion of sales/use tax would result in a sales/use tax liability of approximately of \$2,502 per electric vehicle on average, ( $\$55,600 \times 4.5\% = \$2,502$ ); however, such amount would exceed the \$1,500 per vehicle cap established by the floor amendment. For this reason it is assumed the sales/use tax collected per electric vehicle will be \$1,500, the equivalent of the per vehicle cap. Currently such vehicles are subject to a 1.25% sales/use tax which equates to approximately \$695 in sales/use tax per vehicles; for this reason HB 3220 is expected to generate additional sales/use tax collections of \$805 per electric vehicle, ( $\$1,500 - \$695 = \$805$ ), totaling \$2,159,815 per year ( $\$805 \text{ per electric vehicle} \times 2,683 \text{ electric vehicles} = \$2,159,815$ ).

***Apportionment Modifications***

HB 3220 in its current form modifies the apportionment of sales/use tax collections related to public highway electric vehicles. The measure provides that all such related tax collections shall be apportioned to the State Highway Construction and Maintenance Fund and to county highway funds. Currently the rate of 1.25% is apportioned to various sources under a different apportionment schedule. Officials for the Tax Commission, estimate the FY-22 impact on specific funds as a result of HB 3220 in amounts as follows:

General Revenue Fund	Decrease	\$1,559,063
Education Reform Rev. Fund	Decrease	195,046
Teacher's Retirement System	Decrease	93,234
OK Tourism Promotion Rev. Fund	Decrease	5,840
OK Tourism Capital Improvmt. Rev. Fund	Decrease	10,383
OK Historical Society Capitol Improvmt. Ops. Rev. Fund	Decrease	1,119
State Highway Construction and Maintenance Fund	Increase	1,295,889
County Highway Funds	Increase	863,926

Floor Amendment 1 also modifies the effective date of the measure to July 1, 2021; therefore, there will be no fiscal impact until FY-22.

Prepared By: John McPhetridge

### **Other Considerations**

None.