

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 3462
Version:	INT
Request Number:	9553
Author:	Rep. Russ
Date:	2/24/2020
Impact:	Tax Commission:
	Revenue Decrease
	FY-21: (\$750,000)
	FY-22: (\$1,311,000)

Research Analysis

HB3462, as introduced, amends the definition of *prosthetic device* in the Sales Tax Code, to include hearing aids purchased from a licensed audiologist, hearing aid dealer or fitter. As a result, the measure provides a sales tax exemption on hearing aids effective November 1, 2020.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

The measure proposes to amend 68 O.S. § 1357(22) by expanding the sales tax exemption for sales of prosthetic devices to include hearing aids purchased from an audiologist or hearing aid dealer or fitter who is licensed by the state as required by law.

Based on OTC sales tax reporting and remittance data, state sales tax collections of \$1,238,663 are attributable to the described sales of hearing aids for FY 19.

The measure proposes an effective date of November 1, 2020. Application of inflation rate adjustments of 1.9%¹ results in an estimated decrease in state sales tax collections of \$750,271 for FY 21² and \$1,310,616 for FY 22 (again applying a 1.9% inflation rate adjustment).

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

² Includes seven months of sales tax collections.

Prepared By: Mark Tygret

Other Considerations

None.

