

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

<b>Bill No.:</b>	<b>HB 3758</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>9425</b>
<b>Author:</b>	<b>Rep. Miller</b>
<b>Date:</b>	<b>2/13/2020</b>
<b>Impact:</b>	<b>Tax Commission: Minimal Impact</b>

**Research Analysis**

HB3758, as introduced, provides a sales tax exemption on sales of personal property and services to a nonprofit that uses at least 75 percent of its operating funds during the period of January 1, 2019 through June 30, 2020, to provide repair or restoration assistance to individuals whose homes were damaged by a disaster.

The measure defines *disaster* as damage to property from heavy rain, high winds, tornadic winds, drought, wildfire, snow, ice, geologic disturbance, explosions, chemical accidents or spills or any other event that caused large scale damage to a property.

Prepared By: Quyen Do

**Fiscal Analysis**

Analysis provided by the Tax Commission:

The measure proposes amendment to Section 1356 of Title 68 to exempt from the sales tax levy, sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the principal functions of which are to provide assistance to natural person following a disaster<sup>2</sup>, with program emphasis on repair or restoration to single-family residential dwellings or the construction of a replacement single-family residential dwelling. An entity that expended at least 75% of its funds on the restoration to single-family housing following a disaster, regardless of the date of the disaster, in the period January 1, 2019, through June 30, 2020, including related general and administrative expenses, shall be eligible for the exemption authorized by this paragraph.

Presently, there is one known organization which could qualify for the proposed sales tax exemption. A representative of the organization indicated that the organization made no taxable purchases in FY 19 and that it received donated items for a few restoration projects. The estimated revenue impact associated with this measure is anticipated to be minimal in nature.

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<sup>2</sup> For purposes of the proposed exemption “disaster” is defined to mean damage to property with or without accompanying injury to person from heavy rain, high winds, tornadic winds, drought, wildfire, snow, ice, geologic disturbances, explosions, chemical accidents or spills and other events, whether manmade or naturally occurring, causing damage to property on a large scale.

Prepared By: Mark Tygret

**Other Considerations**

None.

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