

**Bill Summary**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 18</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>84</b>
<b>Author:</b>	<b>Sen. Thompson</b>
<b>Date:</b>	<b>12/03/2018</b>

**Bill Analysis**

SB 18 extends the sales tax exemption for the sales of “rolling stock,” which includes locomotives, autocars, and railroad cars, to July 1, 2024. Under current law, the exemption is set to expire on July 1, 2019. Additionally, the measure broadens the exemption to apply to leases of rolling stock and no longer solely applies to manufacturers. Sale and lease of rolling stock includes railroad car maintenance and retrofitting.

Prepared by: Kalen Taylor

## MEMORANDUM

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OKLAHOMA TAX COMMISSION  
TAX POLICY DIVISION

Date: February 18, 2019  
To: Rick Miller, Director *RM*  
Tax Policy and Research Division  
From: Marc Morrison  
Tax Policy Analyst  
Subject: Proposed Committee Amendment SB 18

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This memo is in regards to the request for a revenue impact for the proposed committee amendment for SB 18 which would extend the sunset date for sales tax exemption of rolling stock sold by a manufacturer thereof for use or consumption by a common carrier directly in the rendition of public service to July 1, 2024, from July 1, 2019.

Additionally, beginning July 1, 2019 and ending July 1, 2024, the measure also expands the meaning of "sales and leases" to include railroad car maintenance and retrofitting of railroad cars for their further use only on the railways. This expanded language would exempt sales of parts and supplies sold by a manufacturer of rolling stock in the maintenance or retrofitting of railroad cars for their further use on the railways. It is not known the extent to which exempting the maintenance and retrofitting activities will impact state sales tax revenues. Therefore, it is estimated that an unknown decrease in state sales tax revenues will occur for FY 20.