

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

<b>Bill No.:</b>	<b>SB 2</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>23</b>
<b>Author:</b>	<b>Sen. David</b>
<b>Date:</b>	<b>11/20/2018</b>

**Bill Analysis**

SB 2 exempts motor vehicles from the state sales tax after July 1, 2019. Motor vehicles are currently subject to a sales tax rate equal to 1.25% of gross receipts.

Prepared by: Kalen Taylor

**OKLAHOMA TAX COMMISSION**

**REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** November 27, 2018

**BILL NUMBER:** SB 0002 **STATUS AND DATE OF BILL:** Introduced 11/20/2018

**AUTHORS:** House n/a Senate David

**TAX TYPE (S):** Sales Tax **SUBJECT:** Exemption

**PROPOSAL:** Amendatory

The measure proposes amendment of Section 1355 of Title 68 to sunset, effective July 1, 2019, the 1.25% state sales tax currently levied on sales of motor vehicles.

**EFFECTIVE DATE:** Emergency - July 1, 2019

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 20: \$145,638,000 decrease in state sales tax revenues.

Nov. 27, 2018  
DATE

Rick Miller  
DIVISION DIRECTOR

msm

11-27-2018  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

11-28-18  
DATE

Jimmy M. L.  
FOR THE COMMISSION

*The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

**ATTACHMENT TO FISCAL IMPACT – SB 0002 [Introduced] Prepared November 27, 2018**

The measure proposes amendment of Section 1355 of Title 68 to sunset, effective July 1, 2019, the 1.25% state sales tax currently levied on sales of motor vehicles. Oklahoma Tax Commission motor vehicle sales tax remittance records indicate that \$145,638,195 in motor vehicle sales tax was collected in the preceding twelve month period of November 1, 2017 through October 31, 2018. Assuming similar transactions as those experienced in the above-referenced twelve month period, an estimated decrease of \$145,638,195 in state sales tax revenues is estimated to occur for FY 20.