

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

<b>Bill No.:</b>	<b>SB 272</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>729</b>
<b>Author:</b>	<b>Sen. Dahm</b>
<b>Date:</b>	<b>01/14/2019</b>

**Bill Analysis**

SB 272 exempts income derived from the sale or exchange of gold or silver from the income tax.

Prepared by: Kalen Taylor

**OKLAHOMA TAX COMMISSION**

**REVENUE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** February 22, 2019

**BILL NUMBER:** SB 272 **STATUS AND DATE OF BILL:** Introduced 1/14/19

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

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

**PROPOSAL:** Amendatory

SB 272 proposes to amend 68 O.S. §2358 by allowing an income tax exemption for the capital gain realized on the sale or exchange of gold or silver for another form of legal tender effective for tax year 2020 and subsequent tax years.

**EFFECTIVE DATE:** January 1, 2020

**REVENUE IMPACT:**

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

FY 20: -0-

FY 21: Projected decrease in income tax revenue of \$1.2 million.

Feb. 22, 2019

DATE

Rick Miller

DIVISION DIRECTOR

mck

2-22-2019

DATE

Huan Gong

HUAN GONG, ECONOMIST

2-25-19

DATE

Jim McInt

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 REVENUE IMPACT – SB 272[Introduced] Prepared: February 22, 2019**

SB 272 proposes to amend 68 O.S. §2358 by allowing an income tax exemption for the capital gain realized on the sale or exchange of gold or silver for another form of legal tender effective for tax year 2020 and subsequent tax years.

Utah enacted a similar capital gain incentive and based on their estimate<sup>1</sup>, 0.5% of all reported capital gains are from the sale or exchange of gold or silver. For this analysis, Oklahoma capital gain data was examined and averaged from 2011 through 2016<sup>2</sup>, resulting in an annual average of \$4.77 billion in Oklahoma capital gains. Assuming 0.5% will be from the sale of gold or silver, a \$23,861,000 in gold or silver capital gains is expected. The top individual income tax rate of 5.0% was applied with the expectation that most of these capital gains would fall in the highest tax bracket. This results in a potential income tax decrease of \$1.2 million. With the measure effective beginning with tax year 2020, the full impact should occur in FY21 when tax year 2020 income tax returns are filed.

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<sup>1</sup> Email from Matthew Lund Utah State Tax Commission Economic and Statistical Unit

<sup>2</sup> IRS, Statistics of Income Division, Individual Master File System.