

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 323
Version:	INT
Request No.:	15
Author:	Sen. Daniels
Date:	01/15/2019

Bill Analysis

SB 323 provides sellers and vendors a 1% deduction from the sales tax due for the purpose of keeping sales tax records. The deduction is capped at \$2,500.00; any funds in excess of this amount will be calculated as administrative expenses and deposited in the General Revenue Fund. Delinquent returns will not be eligible for the 1% deduction.

Prepared by: Kalen Taylor

Fiscal Analysis

FY'20 impact: Negative \$8.54 million to sales/use tax

Full Year Impact: Negative \$14.46 million to sales/use tax revenue

Reinstates the “vendor discount” whereby vendors retain 1% of the sales tax they collect and remit to the state for the purpose of compensating the seller or vendor in keeping sales tax records, filing reports and remitting the tax when due.

Prepared by: Oklahoma Tax Commission

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 31, 2019

BILL NUMBER: SB 323 **STATUS AND DATE OF BILL:** Introduced 01/15/2019

AUTHORS: House n/a Senate Daniels

TAX TYPE (S): Sales and Use **SUBJECT:** Other

PROPOSAL: New 68 O.S. §§ 1367.1.1 and 1410.1.1

For purposes of compensating vendors for record maintenance and the timely filing and remittance of sales and use tax, the measure proposes to allow vendors to retain one percent¹ of monthly sales/use taxes due.

EFFECTIVE DATE: November 1, 2019

REVENUE IMPACT:

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

FY 20: \$8,540,000 decrease in state sales and use tax revenues
FY 21: \$14,460,000 decrease in state sales and use tax revenues

Feb. 4, 2019
DATE

Rock Miller
DIVISION DIRECTOR

msm

2-4-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

2-4-19
DATE

[Signature]
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.*

¹ Capped at \$2,500 per month per tax permit.

ATTACHMENT TO REVENUE IMPACT – SB 323 – [Introduced] – Prepared 01/31/2019

For purposes of compensating vendors for record maintenance and the timely filing and remittance of sales and use tax, the measure proposes to allow vendors to retain one percent² of monthly sales/use taxes due.

Based on Oklahoma Tax Commission sales and use tax remittance records for FY 18, allowing a vendor discount in the manner prescribed will result in an estimated decrease of \$8,540,000 in state sales and use tax revenues for FY 20 and an estimated decrease of \$14,640,000 in state sales and use taxes for FY 21.

² Capped at \$2,500 per month per tax permit.