

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 8
Version:	INT
Request No.:	81
Author:	Sen. Thompson
Date:	11/27/2018

Bill Analysis

SB 8 exempts the sale of tangible personal property or services to the American Legion or any entity organized under the authority of the American Legion from the sales tax.

Prepared by: Kalen Taylor

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 13, 2019

BILL NUMBER: SB 0008 STATUS AND DATE OF BILL: Engrossed 03/11/2019

AUTHORS: House Roberts (Sean) Senate Thompson

TAX TYPE (S): Sales Tax SUBJECT: Exemption

PROPOSAL: Amendatory

The measure proposes to amend 68 O. S. § 1356 by exempting from the sales tax levy sales of tangible personal property or services to the American Legion, whether the purchase is made by the entity chartered by the United States Congress or is an entity organized under the laws of Oklahoma or another state pursuant to the authority of the national American Legion organization.

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: \$288,000 decrease in state sales tax collections.

Mar. 13, 2019
DATE

Rick Miller
DIVISION DIRECTOR

bjs

3-13-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

3-18-19
DATE

Jonny White
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 0008 [Engrossed] Prepared March 13, 2019

The measure proposes to amend 68 O. S. § 1356 by exempting from the sales tax levy, sales of tangible personal property or services to the American Legion, whether the purchase is made by the entity chartered by the United States Congress or is an entity organized under the laws of Oklahoma or another state pursuant to the authority of the national American Legion organization.

In Oklahoma, the American Legion has a state department with 180 posts and an auxiliary with 143 units. Information obtained from the Organization indicates total average expenditures for the combined components in the estimated amount of \$6,101,663 for FY 18. Applying the state sales tax rate of 4.5% yields a decrease in state sales tax collections of \$274,575.

Application of inflation rate adjustments of 2.5%¹ results in an estimated decrease in state sales tax collections of \$288,475 for FY 20.

¹ Based on latest version of the Consumer Price Index-All Urban Consumers