

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 842
Version:	INT
Request No.:	375
Author:	Sen. Bice
Date:	01/30/2019

Bill Analysis

SB 842 eliminates the sales tax exemption for prewritten, electronically delivered computer software on November 1, 2019.

Prepared by: Kalen Taylor

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 30, 2019

BILL NUMBER: SB 842 **STATUS AND DATE OF BILL:** Introduced 1/17/2019

AUTHORS: House n/a Senate Bice

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

PROPOSAL: Amendatory

The measure proposes to amend Section 1357(32) of Title 68 of the Oklahoma Statutes by providing a sunset date of November 1, 2019 for the sales tax exemption relating to sales of prewritten computer software delivered electronically¹.

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: \$7,985,000 increase in state sales tax revenues
FY 21: \$13,689,000 increase in state sales tax revenues

Jan. 30, 2019
DATE

Rick Miller
DIVISION DIRECTOR

msm

1-30-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

2-1-19
DATE

Jim Miller
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 "Delivered electronically" means delivered to the purchaser by means other than tangible storage media.

ATTACHMENT TO REVENUE IMPACT – SB 842 – [Introduced]–Prepared 01/30/2019

The measure proposes to amend Section 1357(32) of Title 68 of the Oklahoma Statutes by providing a sunset date of November 1, 2019 for the sales tax exemption relating to sales of prewritten computer software delivered electronically.

Based on a another state's estimate of gross receipts attributable to electronically delivered prewritten software and adjustments for differences between the two states, an increase in state sales tax revenues of \$13,689,000 is estimated to occur.

The measure provides for a November 1, 2019 effective date.

The estimated increase in state sales tax collections is \$7,985,250 for FY 20 and for FY 21 is \$13,689,000.