

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

SB 1180
INT
Sen. Allen
02/06/2020

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 8, 2020

BILL NUMBER: SB 1180 STATUS AND DATE OF BILL: Introduced 01/03/2020

AUTHORS: House n/a Senate Allen

TAX TYPE (S): Sales Tax SUBJECT: Exemption

PROPOSAL: Amendatory

The measure proposes to amend 68 O.S. §§ 1357 & 1404 by excluding the sales price of a purchased vehicle from the \$25,000 sales allowance applicable to the sales/use tax exemption afforded qualifying 100% disabled veterans.

EFFECTIVE DATE: November 1, 2020

REVENUE IMPACT:

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

FY 21: \$556,000 estimated decrease in state sales tax revenues
FY 22: \$834,000 estimated decrease in state sales tax revenues

Jan. 13, 2020
DATE

Rick Miller
DIVISION DIRECTOR

msm

1/14/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

1/23/2020
DATE

[Signature]
FOR THE COMMISSION

The 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 1180 [Introduced] Prepared 01/7/2020.

The measure proposes to amend 68 O.S. §§ 1357 & 1404 by excluding the sales price of a purchased vehicle from the \$25,000 sales allowance applicable to the sales/use tax exemption afforded qualifying 100% disabled veterans.

For FY 19, Oklahoma Tax Commission records indicate a total of \$834,047 in sales taxes on which a 100% disabled veteran exemption was claimed. Assuming similar transactions in FY 21, \$834,047 decrease in state sales tax revenues is estimated to occur. The measure proposes an effective date of November 1, 2020, resulting in an estimated decrease in motor vehicle sales tax collections of \$556,031 FY 21¹ and \$834,047 for FY 22.

¹ Includes eight months of motor vehicle sales tax collections.