

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:

Version:

Author:

Date:

SB 1498

INT

Sen. Rader

02/07/2020

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 3, 2020

BILL NUMBER: SB 1498 **STATUS AND DATE OF BILL:** Introduced 01/15/2020

AUTHORS: House n/a Senate Rader

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

PROPOSAL: Amendatory

The measure proposes amendment to Section 1356 of Title 68 to exempt from the sales tax levy, sales of admission tickets to fundraising events held by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), is overseen by a Board of Directors and works in conjunction with a national association, and has as its mission the goal of enhancing the quality of life for individuals and families living with amyotrophic lateral sclerosis, also known as ALS, by advocating and providing for their needs.

EFFECTIVE DATE: Emergency - July 1, 2020

REVENUE IMPACT:

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

FY 21: None

Feb. 3, 2020
DATE

Pick Miller
DIVISION DIRECTOR

msm

2/3/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/4/2020
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 1498 - [Introduced] - Prepared February 3, 2020.

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Currently, there is one known entity which would qualify under the parameters of this proposal. A representative of this organization indicated that it conducts an annual fundraising event for which admissions tickets are sold. In 2019 these sales totaled \$4,629. Based on the entity's qualification under 26 U.S.C. 501(C)(3) and the fact that the fundraising event is held one day and is not in the organization's regular course of business, it appears that the described admission tickets sales are currently exempt from sales tax pursuant to Section 1356(75) of Title 68.¹ Consequently, no impact to state sales tax revenues is estimated as a result of this measure.

¹ There are hereby specifically exempted from the tax levied by Section 1350 et seq. of this title:

Sales by an organization or entity which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) which are related to a fundraising event sponsored by the organization or entity when the event does not exceed any five (5) consecutive days and when the sales are not in the organization's or the entity's regular course of business. Provided, the exemption provided in this paragraph shall be limited to tickets sold for admittance to the fundraising event and items which were donated to the organization or entity for sale at the event;