

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

SB 1704
INT
Sen. Brooks
02/14/2020

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 13, 2020

BILL NUMBER: SB 1704 **STATUS AND DATE OF BILL:** Introduced 01/16/2020

AUTHORS: House n/a Senate Brooks

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 an entity whose mission is to provide an opportunity for communicating and associating with women who have served in the Armed Forces and to provide assistance to Oklahoma women veterans. To qualify the described entity must also be exempt from taxation pursuant 26 U.S.C., § 501(c)(19) and be comprised of women who have served or are currently serving in the United States Armed Forces.

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: Minimal decrease in state sales tax collections
FY 22: Minimal decrease in state sales tax collections

Feb. 13, 2020
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2/13/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/13/2020
DATE

J. D. L.
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 1704 – [Introduced] – Prepared 02/13/2020

The measure proposes to amend 68 O.S. § 1356 by exempting from the sales tax levy, sales of tangible personal property or services to an entity whose mission is to provide an opportunity for communicating and associating with women who have served in the Armed Forces and to provide assistance to Oklahoma women veterans. To qualify the described entity must also be exempt from taxation pursuant 26 U.S.C., § 501(c)(19) and be comprised of women who have served or are currently serving in the United States Armed Forces.

Presently, there is one known organization which could qualify for the proposed sales tax exemption. Information received from the entity indicates that there is a state headquarters and two local chapters. The combined components paid \$1,136 in state and local sales tax on their purchases of sales taxable items for FY 19. Of this amount 53% or \$602 is attributed to state sales tax.

The measure proposes an effective date of November 1, 2020. Application of inflation rate adjustments of 1.9%¹ results in an estimated decrease in state sales tax collections of \$365 for FY 21² and \$637 for FY 22 (again applying a 1.9% inflation rate adjustment).

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

² Includes seven months of sales tax collections.