

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1104</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Steagall</b>
<b>Date:</b>	<b>4/4/2022</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Minimal Decrease in Sales Tax Collections**

**Research Analysis**

SB 1104 allows the sales tax exemption to a service organization of mothers who have children who are serving or who have served in the military to apply to sales tax levied by cities, towns, and counties. The measure no longer requires proof that the exempt purchases be actually sent to military personnel overseas and strikes language specifying that the exemption is to be administered as a refund.

Prepared By: Emily McPherson

**Fiscal Analysis**

Analysis provided by the Tax Commission:

The measure proposes to amend 68 O.S. § 1356(70) by changing the administration of the sales tax exemption for Blue Star Mothers of America, Inc. Currently, Section 1356(70) of Title 68 exempts from state sales tax, purchases by the Blue Star Mothers of America, Inc.<sup>2</sup> of tangible personal property actually sent to United States military personnel overseas who are serving in a combat zone. To perfect the referenced exemption the Organization must file a claim for refund for the state sales tax paid on the covered purchases. Instead of the described refund process, the measure proposes that the exemption be claimed at the point of sale pursuant to the issuance by the Tax Commission of a sales tax exemption certificate for purchases of items intended to be sent to the aforementioned personnel.

The national website for Blue Stars Mothers of America Inc. indicates that there are twelve Oklahoma Chapters of the referenced Organization. Based on Oklahoma Tax Commission data for FY 21, only one chapter filed four refund claims in the total amount of \$515.28.

It is anticipated that some chapters, which previously did not pursue refunds of sales taxes paid on purchases of any eligible items, will available themselves of the point of sale exemption provided for in the measure. However, due to the scope of the exemption remaining substantially the same, a minimal decrease in state sales tax collections is estimated for FY 23 and FY 24.

<sup>2</sup> A service organization of mothers who have children who are serving or who have served in the military, which service organization is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(19) and which is known as the Blue Star Mothers of America, Inc.

Prepared By: Mark Tygret

### **Other Considerations**

None.

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