

# **OKLAHOMA TAX COMMISSION**

## **REVENUE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** March 31, 2022

**BILL NUMBER:** SB 1670 **STATUS AND DATE OF BILL:** Engrossed 03/14/2022

**AUTHORS:** House Hasenbeck Senate Kidd

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

**PROPOSAL:** Amendatory

The measure proposes to amend 68 O.S. § 1357(34) by expanding the sales tax exemption for surviving spouses of 100% disabled veterans to include sales to the surviving spouse of a person who is determined by the United States Department of Defense or any branch of the United States military to have died while in the line of duty if the spouse has not remarried.

**EFFECTIVE DATE:** Emergency – Upon Passage and Approval

### **REVENUE IMPACT:**

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

FY 23: Minimal decrease in state sales tax collections

April 1, 2022  
DATE

Rick Miller  
DIVISION DIRECTOR

bjs

4/1/2022  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

4/1/2022  
DATE

Joseph P. Ayza  
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 FISCAL IMPACT-SB 1670-[Engrossed]-Prepared March 31, 2022**

The measure proposes to amend 68 O.S. § 1357(34) by expanding the sales tax exemption for surviving spouses of 100% disabled veterans to include sales to the surviving spouse of a person who is determined by the United States Department of Defense or any branch of the United States military to have died while in the line of duty if the spouse has not remarried.

Research of U.S. Veteran Affairs data and other resources have not disclosed the number of persons who could qualify for the proposed sales tax exemption. For purposes of this impact, it is assumed that 16<sup>1</sup> surviving spouses that were issued Killed in Action special license plates in FY 21 would be eligible for the proposed sales tax exemption. Multiplying the 16 surviving spouses by the expenditure threshold limitation of \$1,000, results in total annual sales taxable expenditures of \$16,000. Applying the state sales tax rate of 4.5% yields a decrease in state sales tax collections of \$720 for FY 23.

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<sup>1</sup> Oklahoma Tax Commission Annual Vehicle Registration Report for FY 21.