

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 14, 2022

BILL NUMBER: SB 1670 STATUS AND DATE OF BILL: Introduced 01/20/2022

AUTHORS: House N/A 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 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: July 1, 2022-Emergency

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

Feb. 14, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2/15/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/15/2022
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 FISCAL IMPACT-SB 1670-[Introduced]-Prepared February 14, 2022

The measure proposes to amend 68 O.S. § 1357 (34) by expanding the sales tax exemption for 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 17¹ surviving spouses that were issued Killed in Action special license plates in FY 20 would be eligible for the proposed sales tax exemption. Multiplying the 17 surviving spouses by the expenditure threshold limitation of \$1,000, results in total annual sales taxable expenditures of \$17,000 for FY 22. Applying the state sales tax rate of 4.5% yields a decrease in state sales tax collections of \$765.

¹ The Oklahoma Tax Commission's Annual Vehicle Registration Report for FY 20 indicates 20 Killed in Action Registrations of which three person have two Killed in Action plates.