

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 27, 2022

BILL NUMBER: SB 1772 STATUS AND DATE OF BILL: Introduced 01/20/2022

AUTHORS: House n/a Senate Murdock

TAX TYPE (S): Motor Vehicle Sales Tax SUBJECT: Tax Rate

PROPOSAL: Amendatory

The measure proposes to remove the 1.25% sales tax on the sale of motor vehicles.

EFFECTIVE DATE: November 1, 2022

REVENUE IMPACT:

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

FY 23: \$110,297,000 decrease in state sales tax revenues

FY 24: \$165,446,000 decrease in state sales tax revenues

Jan. 28, 2022
DATE

Rick Miller
DIVISION DIRECTOR

msm

1/28/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/2/2022
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 REVENUE IMPACT – SB 1772 [Introduced] Prepared 01/27/2022

The measure proposes to repeal the 1.25% sales tax on the sale of motor vehicles.

Oklahoma Tax Commission projects total 1.25% motor vehicle sales tax collections of \$165,446,000 for FY 23¹. The measure proposes an effective date of November 1, 2022 resulting in an estimated decrease in motor vehicles sales tax revenues of \$110,297,333 for FY 23. Assuming similar motor vehicle sales in FY 24 would yield an estimated decrease in motor vehicle sales tax revenues of \$165,446,000 for FY 24.

¹ Oklahoma Tax Commission – Revenue Forecast for FY 23, December 14, 2021