

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 14, 2022

BILL NUMBER: SB 1851 STATUS AND DATE OF BILL: Introduced 01/21/2022

AUTHORS: House n/a Senate David

TAX TYPE (S): MTR V Sales Tax SUBJECT: Repealer

PROPOSAL: 68 O.S. § 1355

The measure proposes to repeal 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: A decrease of \$110,297,000 in state sales tax revenues

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

Feb. 14, 2022
DATE

Dick Miller
DIVISION DIRECTOR

msm

2/14/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/14/2022
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 1851[Introduced] Prepared 02/14/2022

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

Based upon Oklahoma Tax Commission estimates, the state sales tax of 1.25% on the sale of motor vehicles is expected to be \$165,446,000 in FY 23. Calculated with an effective date and assuming similar sales of motor vehicles in FY 24 results in an estimated decrease of \$110,297,333 in state sales tax revenues for FY 23, and an estimated decrease of \$165,446,000 in state sales tax revenues for FY 24.