

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB1039
Version:	Introduced
Request Number:	5949
Author:	Rosecrants
Date:	2/17/2023
Impact:	OTC Analysis:
	FY24: \$12,913,000 revenue decrease

Research Analysis

HB1039, as introduced, adds schools supplies that cost less than \$50 to the list of items exempt from sales tax during the annual sales tax holiday that occurs every August. Clothing or footwear purchased during the exemption period must be less than \$75, lowered from the current \$100 limit.

Prepared By: Quyen Do

Fiscal Analysis

HB1039 proposes to modify the list of items that qualify for exemption during the sales tax holiday. Certain school supplies are introduced to the list, and sales of clothing or footwear must be less than \$75 to qualify for exemption whereas the current threshold is less than \$100. This measure is expected to decrease state revenues by \$12,913,000 for FY24.

As provided by the Oklahoma Tax Commission:

Total impact on state sales tax

\$157,334,402	Estimated gross proceeds for school supplies.
X 4.5%	Oklahoma state sales tax rate
\$ 7,080,048	Estimate of state sales tax
\$ 7,080,048	Estimate of state sales tax
X 69.39%	Percentage of state sales tax
\$ 4,912,845	Estimate of municipal sales tax
\$ 7,080,048	Estimate of state sales tax
X 12.99%	Percentage of state sales tax
\$ 919,698	Estimate of county sales tax

Estimated Net Revenue Impact-\$12,912,591 decrease in state sales tax collections for FY 24.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.

