

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB1568
Version:	SUBREC
Request Number:	7571
Author:	Stark
Date:	2/28/2023
Impact:	OTC Analysis: Unknown

Research Analysis

The subcommittee recommendation for HB1568 provides a sales tax exemption to all nonprofit organizations with \$3 million or less in annual gross revenue. Alcohol and tobacco purchases are not considered exempt purchases.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB1568 proposes to provide a sales tax exemption to nonprofit organizations with \$3 million or less in annual gross revenue, excluding purchases of alcohol and tobacco. The impact of this measure is unknown as per the Oklahoma Tax Commission.

Provided by Tax Commission:

The manner in which sales tax is reported and remitted to the Tax Commission does not allow for the identification of purchasing entities or corresponding expenditure amounts for purposes of estimating the impact to sales tax revenues attributable to the proposal. Further, the sales tax base and or exemption afforded 501(c)(3) entities by other states are too dissimilar to Oklahoma's base and proposed exemption to utilize their expenditure information for estimating a revenue impact. In order to arrive at an estimate for this proposal the OTC has been coordinating with the Oklahoma Center for Nonprofits. This organization is in the process of surveying its members to obtain relevant estimate data, however, the results have yet to be finalized. Therefore, the amount of the decrease in state sales tax revenues occurring as a result of this measure is presently unknown.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.