

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB4000
Version:	Introduced
Request Number:	8965
Author:	Rep. Fetgatter
Date:	2/16/2024
Impact: FY25:	Estimated \$405,000 revenue decrease
FY26:	Estimated \$709,000 revenue decrease

Research Analysis

HB4000 provides a sales tax exemption for machinery and equipment purchased for the commercial mining of digital assets until December 31, 2038. Eligible equipment includes, but is not limited to, servers, computers, racks, power distribution units, cabling, switchgears, transformers, substations, software, network equipment, and electricity.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB4000 proposes to exempt from the sales tax levy, the sale of machinery and equipment used for commercial mining of digital assets in a colocation facility.

Analysis from the Oklahoma Tax Commission:

REVENUE IMPACT:

This impact was developed through the use of industry expenditure information and data from Oklahoma Tax Commission files and records.

FY 25: An estimated decrease of \$405,000 in state sales tax revenue.

FY 26: An estimated decrease of \$709,000 in state sales tax revenue.

ANTICIPATED IMPACT:

One identified establishment that could be eligible for the proposed sales tax exemption has an estimated state sales tax attributable to the purchase of electricity used for commercial mining of digital assets of \$221,392 for FY 23. Adjustments for inflation⁶ results in an estimated \$231,467 in state sales tax for FY 25 and \$236,327 for FY 26. Assuming the 3 entities currently involved in the mining of digital assets in Oklahoma are allowed to exempt the purchase of electricity as a result of the exemption proposed in this measure, results in an estimated \$694,400 decrease in state sales tax revenue for FY 25 and \$708,982 for FY 26. Calculated with an effective date of November 1, 2024, results in estimated decrease of \$405,067 in state sales tax revenue for FY 25⁷, and an estimated decrease of \$708,982 in state sales tax revenue for FY 26.

Prepared By: Zach Penrod

Other Considerations

None.

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