

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 25, 2024

BILL NUMBER: SB 1289

STATUS AND DATE OF BILL: Introduced 12/12/23

AUTHORS: House: n/a Senate: Garvin

TAX TYPE (S): Medical Marijuana Tax **SUBJECT:** Administration

PROPOSAL: Amendatory

SB 1289 proposes to amend 68 O.S. § 255.2 to eliminate the current provision that allows the Oklahoma Tax Commission (OTC) to charge the Oklahoma Medical Marijuana Authority (OMMA) a collection service fee. Under current law, the OTC is authorized to assess, collect, and enforce the 7% tax¹ on retail medical marijuana sales and any penalties and interest thereon. For providing such collection assistance, the OTC is allowed to charge the OMMA a collection fee of 1.5% of the gross proceeds, and such fee is deposited in the Tax Commission Reimbursement Fund. [68 O.S. §255.2].


EFFECTIVE DATE: Emergency - July 1, 2024

REVENUE IMPACT: The proposal does not affect tax revenue.

FY 25: None

ADMINISTRATIVE IMPACT: The OTC collected \$52 million in retail medical marijuana tax for FY 23. Assuming similar collections for FY 25, results in the following administrative impact:

FY 25: Estimated \$780,000 increase in administrative costs for the OTC.

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| <u>1/30/24</u> |  | <u>bjs</u> |
| DATE | MARIE SCHUBLE, DIVISION DIRECTOR | |
| <u>1/25/24</u> | <u>Huan Gong</u> | |
| DATE | HUAN GONG, ECONOMIST | |
| <u>2/2/2024</u> | <u>Joseph P. Gappa</u> | |
| DATE | JOE GAPPA, 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.

¹ 63 O.S. § 426