

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** February 1, 2024

**BILL NUMBER:** SB 1502

**STATUS AND DATE OF BILL:** Introduced 12/18/23

**AUTHORS:** House: n/a

Senate: Rader

**TAX TYPE (S):** Sales

**SUBJECT:** Exemption

**PROPOSAL:** Amendatory

SB 1502 proposes to amend 68 O.S. § 1356 by exempting from the state sales tax levy all sales to contractors in connection with the performance of any contract with the United States Government, State of Oklahoma, any of political subdivisions of this state, or any agency of a political subdivision of this state.

**EFFECTIVE DATE:** November 1, 2024

### REVENUE IMPACT:

There are multiple governmental entities with ongoing contracts with contractors in Oklahoma that would be eligible for the exemption provided in SB 1502. These contracts will likely result in exempt sales to contractors to fulfill their obligations<sup>1</sup>. This would result in an unknown decrease in state sales tax revenue.

**FY 25: Unknown decrease in state sales tax collections.**

**FY 26: Unknown decrease in state sales tax collections.**

2/2/24

DATE

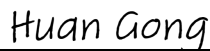


MARIE SCHUBLE, DIVISION DIRECTOR

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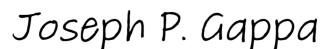
DATE



HUAN GONG, ECONOMIST

2/2/2024

DATE



JOSEPH P. 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.***

<sup>1</sup>To estimate a more precise fiscal impact, each contract would have to be available and reviewed for purchases eligible for the proposed sales tax exemption.