

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 2001 **STATUS AND DATE OF BILL:** Introduced 1/18/2024

AUTHORS: House: n/a Senate: Coleman

TAX TYPE(S): Sales Tax & Mixed Beverage Tax

SUBJECT: Other

PROPOSAL: Amendatory

Section 1 of SB 2001 proposes to amend 37A O.S. § 1-103, by defining “straw testing”¹. Sections 2 and 3 propose to amend 37A O.S. §§ 6-105 and 6-109, allowing alcoholic beverages which are provided by a wine and spirits wholesaler, beer distributor, brewer, small brewer, distiller, winemaker, small farm winery, rectifier, manufacturer, or nonresident seller licensee to be kept, brought, or consumed on the licensed premises for educational training tasting purposes, provided the rules in Section 6-109 are followed.

EFFECTIVE DATE: Emergency – Upon Passage and Approval

REVENUE IMPACT: SB 2001 does not address the taxation or exemption of the alcoholic beverages consumed for educational training testing purposes or straw testing. Therefore, an unknown impact on state sales tax collections and mixed beverage tax collections are expected in FY 25 and FY 26.

FY 25: Unknown

FY 26: Unknown

1/29/24

DATE

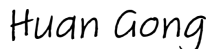


MARIE SCHUBLE, DIVISION DIRECTOR

msm

1/26/24

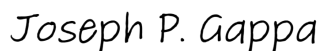
DATE



HUAN GONG, ECONOMIST

1/30/2024

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.

¹Straw testing means the consumption of a de minimis amount of an alcoholic beverage by sanitary means by the holder of an employee license who is at least twenty-one (21) years of age to determine the quality or desired flavor profile of such alcoholic beverage that has been served, or is to be served, to a patron.

CURRENT LAW:

Persons selling mixed beverages to purchasers for use or consumption are required to remit sales tax and gross receipts tax (mixed beverage tax) to the Oklahoma Tax Commission on all gross receipts for the sale, preparation or service of mixed beverages and upon the total retail value price, of all mixed beverages sold, prepared or served either upon a discounted or complimentary basis. A person holding a mixed beverage tax permit or other permit issued in accordance with 37A O.S. § 5-107, may purchase the alcoholic beverages exempt from sales tax.

A licensed establishment that sells or serves alcoholic beverages are prohibited from allowing any alcoholic beverages on their premises that they are not licensed to sell or serve. Also, no licensed establishment or employee thereof is allowed to consume or be under the influence of alcoholic beverages during the hours he or she is on duty.

PROPOSED AMENDMENTS:

Section 1 of SB 2001 proposes to amend 37A O.S. § 1-103, by defining “straw testing”². Sections 2 and 3 propose to amend 37A O.S. §§ 6-105 and 6-109, providing an exception to the current rule that mixed beverage permit holders who sell or serve alcoholic beverages are prohibited from allowing any alcoholic beverages on their premises that they are not licensed to sell or serve. This measure would allow alcoholic beverages which are provided by a wine and spirits wholesaler, beer distributor, brewer, small brewer, distiller, winemaker, small farm winery, rectifier, manufacturer, or nonresident seller licensee to be kept, brought, or consumed on the licensed premises for educational training tasting purposes, provided the rules in Section 6-109 are followed.

ANTICIPATED IMPACT:

SB 2001 does not address the taxation or exemption of the alcoholic beverages consumed for educational training testing purposes or straw testing. Therefore, an unknown impact on state sales tax collections and mixed beverage tax collections are expected in FY 25 and FY 26.

² Straw testing means the consumption of a de minimis amount of an alcoholic beverage by sanitary means by the holder of an employee license who is at least twenty-one (21) years of age to determine the quality or desired flavor profile of such alcoholic beverage that has been served, or is to be served, to a patron.