

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3548</b>
<b>Version:</b>	<b>SUBPCS1</b>
<b>Request Number:</b>	<b>16353</b>
<b>Author:</b>	<b>Rep. Maynard</b>
<b>Date:</b>	<b>2/18/2026</b>
<b>Impact:</b>	<b>See OTC Analysis</b>

**Research Analysis**

The proposed subcommittee substitute for HB3584 creates the Oklahoma Youth Entrepreneurs Promotion and Development Act of 2026 to provide sales and state income tax exemptions for businesses owned and operated by minors. The measure also exempts these businesses from state or local licensing requirements and prohibits fines or penalties for failing to obtain a license, provided the business does not operate for more than 90 days in a calendar year.

To qualify for the tax exemptions, the business must:

- Be a sole proprietorship owned and operated primarily by a minor under 18;
- Generate less than \$1,000 in gross revenue during the calendar year;
- Limit adult involvement to supervision, transportation, or safety oversight;
- Operate only on private property with the owner's consent or as part of a registered community youth vending event; and
- Not be operated for the material benefit of an adult.

Prepared By: Quyen Do

**Fiscal Analysis**

In its current form, HB3548 establishes the Oklahoma Youth Entrepreneurs Promotion and Development Act of 2026 which provides sales and state income tax exemptions for certain youth-owned businesses.

The Oklahoma Tax Commission (OTC) has provided the following analysis:

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**ESTIMATED REVENUE IMPACT:**

**FY27: Sales Tax: Unknown minimal decrease in sales tax collections.  
Income tax: \$0**

**FY28: Sales Tax: Unknown minimal decrease in sales tax collections.  
Income Tax: Unknown minimal decrease in income tax collections.**

**ANALYSIS:** Proposed Subcommittee Substitute for HB 3548 (req. No. 16353) amends the introduced version by adding a provision requiring that individuals performing work regulated under the Title 59 of the Oklahoma Statutes or any other applicable licensing law must comply with all Oklahoma licensing and registration requirements, including holding a current license or registration in good standing

The Proposed Subcommittee Substitute otherwise retains the provisions of HB 3548 as introduced. The measure establishes the Oklahoma Youth Entrepreneurs Promotion and Development Act of 2026 and provides exemptions from Oklahoma sales tax and income tax for certain youth-owned sole proprietorships. To qualify, the business must be owned and operated primarily by individuals under eighteen years of age, operate as a sole proprietorship, receive only limited incidental assistance from adults, generate less than \$1,000 in gross revenue per calendar year, and operate only on private property or as part of a community event that separately registers youth vendors. The exemption does not apply if an adult materially manages or operates the business or if the business is operated primarily for the benefit of an adult. No person conducting a business as a sole proprietor who is less than eighteen years of age<sup>i</sup> is required to obtain a business license from any government entity and the person shall not be subject to any fine or penalty as a result of conducting such business for a period not in excess of ninety days during a calendar year.

**Sales Tax Impact:** Because casual sales by unpermitted sellers under eighteen years of age are not separately identifiable in existing sales tax data, the amount of sales tax affected by the exemption cannot be reliably measured. Given the \$1,000 gross revenue cap, any sales tax impact is expected to be minimal. The sales tax exemption becomes effective November 1, 2026, resulting in a partial-year impact in FY27 and a full-year impact beginning in FY28.

**Income Tax Impact:** Because the income tax exemption applies to tax years beginning on or after January 1, 2027, no income tax impact is expected in FY27. Qualifying income earned by youth-operated sole proprietorships under eighteen years of age cannot be reliably measured; therefore, the revenue impact is unknown. Given the \$1,000 gross revenue cap, any income tax impact is expected to be minimal in FY28.

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<sup>i</sup> To obtain a sales tax permit, an individual or sole proprietor must be at least eighteen years of age. 68 O.S. § 1364.

Prepared By: Zach Penrod, House Fiscal Staff

**Other Considerations**

None.