

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB3983
Version:	INT
Request Number:	14381
Author:	Rep. Trey Caldwell
Date:	3/2/2026
Impact:	See OTC Analysis

Research Analysis

HB 3983, as introduced, provides that a cigarette is defined as rolled tobacco intended to be heated or burned. The measure applies a tax exemption equal to 50% of the tax levied to the sale of cigarettes that are intended to be heated rather than burned. The measure also directs the Oklahoma Tax Commission to make rules and regulations including the creation of distinct stamps to affix to packages of cigarettes intended to be heated rather than burned and provide that such stamps are made available on or before the effective date.

Prepared By: Suzie Nahach, House Research Staff

Fiscal Analysis

As introduced, HB3983 establishes an exemption from the stamp excise tax for cigarettes that are intended to be heated rather than burned. A tax exemption equal to fifty percent of the tax levied shall be applied to sales of such cigarettes.

Officials from the Oklahoma Tax Commission (OTC) have provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY27: Unknown

FY28: Unknown

ANALYSIS: The measure expands the definition of cigarettes in 68 O.S. § 301 to include “products that are intended to be heated or burned”. It establishes a 50% tax exemption for the sale of cigarettes designed to be heated rather than burned and mandates that the OTC to issue stamps for these products before the effective date.

As this type of product is not currently sold in Oklahoma, the revenue impact is unknown.

Administrative Impact: A new excise tax stamp would be required, which increases the time required for implementation of the measure. Additionally, it is anticipated to result in a one-time administrative cost of approximately \$150,000.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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