

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB4178
Version:	INT
Request Number:	15832
Author:	Rep. Staires
Date:	2/17/2026
Impact:	Unknown decrease in sales tax revenue

Research Analysis

HB4178, as introduced, expands the existing sales tax exemption for governmental entities to include public trusts that have a municipality as the trust beneficiary.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB4178 provides a sales tax exemption for certain public trusts.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY26: Unknown decrease in state sales tax revenues

ANALYSIS: The measure would provide a sales tax exemption for public trusts, organized pursuant to 60 O.S. §§ 176 et seq., in which a municipality is the beneficiary.

Currently, municipalities are broadly exempt from sales tax pursuant to 68 O.S. § 1356(10) and may only pass on their exemption status for certain public contracting purposes. Public trusts, however, do not receive a general sales tax exemption; exemptions apply only to specific trust authorities or to specific types of purchases (see: 68 O.S. § 1356(10)). Oklahoma Tax Commission records indicate that 305 trust authority exemptions are currently active.

Oklahoma has 598 municipalities consisting of cities and towns. It is not possible to determine how many municipalities currently or potentially would benefit under the proposed exemption criteria, nor the total amount of expenditures made through public trusts for which a municipality is the beneficiary. While public trusts are commonly used to operate hospitals, public utilities, and other government services, comprehensive and current data on the total number of public trusts in Oklahoma is not available.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

