

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB4304
Version:	SUBPCS1
Request Number:	16429
Author:	Rep. Worthen
Date:	2/18/2026
Impact:	Unknown decrease in state sales tax revenue

Research Analysis

The proposed subcommittee substitute for HB4304 expands the existing sales tax exemption for governmental entities to include public trusts that have a municipality as the trust and their contractors. The measure also allow entities that are authorized to extend their sales tax exemption to a contractor to designate an agent to make exempt purchases on its behalf.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB4304 would provide a sales tax exemption for certain public trusts and their contractors.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY27: Unknown decrease in state sales tax revenues.

ANALYSIS: The proposed committee substitute would provide a sales tax exemption for sales to a public trust organized pursuant to 60 O.S. § 176, with a municipality as the beneficiary of such trust, and would also provide an exemption to any person with who has duly entered into a public contract with a public trust.¹

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 unknown how many municipalities currently or potentially would benefit under the proposed exemption criteria, or 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.

© 2026 Oklahoma House of Representatives, see Copyright Notice at www.okhouse.gov