

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB4318
Version:	INT
Request Number:	14333
Author:	Rep. Kendrix
Date:	2/17/2026
Impact:	See OTC Analysis

Research Analysis

HB4318, as introduced, creates a sales and use tax deduction for sellers and vendors to offset reporting and remittance duties. Sellers may deduct 1 percent of sales and use tax due, capped at \$1,000 per month per account per tax type, provided they file on time and are not using a direct payment permit. If a filing is late, no deduction is allowed unless the delay was due to a federally declared disaster.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB4318 reinstates the sales and use tax timely filing discount.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT (additional details below):

FY27: \$5.8 million decrease in state sales tax; \$1.2 million decrease in state use tax revenues.

FY28: \$9.96 million decrease in state sales tax; \$2.20 million decrease in state use tax revenues.

Revenue Source	Estimated Revenue Impact	
	FY27	FY28
State Sales Tax	\$5,810,000	\$9,960,000
State Use Tax	\$1,168,000	\$2,202,000
Municipal Sales Tax	\$4,511,000	\$7,733,000
Municipal Use Tax	\$832,000	\$1,425,000
County Sales Tax	\$809,000	\$1,387,000
County Use Tax	\$152,000	\$261,000

ANALYSIS: The measure would reinstate the sales and use tax timely filing discount/remuneration at 1%, capped at \$1,000 per month. The estimates are based on FY25 sales and use tax collections from timely paid accounts, assume similar collection levels in FY27 and FY28, and reflect an effective date of November 1, 2026. The measure would impact state, municipal and county sales and use tax collections.

Administrative Issues/Concerns: Implementation of this measure will require approximately two months of system development and is expected to result in a one-time increase in administrative costs of approximately \$60,000.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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