

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	SB289
Version:	ENGR
Request Number:	
Author:	Rep. Fetgatter
Date:	4/8/2025
Impact:	FY25: Minimal
	FY26: -\$439,000 in sales tax collections
	FY27: -\$447,000 in sales tax collections

Research Analysis

Engrossed SB289 renews an expired sales tax exemption for unaccredited 501c3 museums with an annual operating budget of less than \$1 million through December 31, 2027.

Prepared By: Quyen Do

Fiscal Analysis

SB289 proposes to reinstate the sales tax exemption for sales of tangible personal property or services to certain museums.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY25: Minimal¹.

FY26: \$439,000 decrease in state sales tax collections.

FY27: \$447,000 decrease in state sales tax collections.

ANALYSIS: SB 289 proposes to amend 68 O.S. § 1356 by reinstating the sales tax exemption for sales of tangible personal property or services to a museum that operates as part of an organization which is exempt from taxation pursuant 26 U.S.C., § 501(c)(3) and is not accredited by the American Alliance of Museums and operate on an annual budget of less than \$1,000,000 for purposes of qualifying for the current sales tax exemption. The measure reinstates the exemption, which expired as of December 31, 2024, through December 31, 2027.

Based on information from the Oklahoma Museum Association for FY24, approximately 116 non-profit museums qualify for the current sales tax exemption, with combined estimated annual state sales tax paid of \$414,000. Assuming similar taxable expenditures for FY26 and FY27, and accounting for inflation², results in an estimated decrease in state sales tax collections of \$439,000 for FY26 and \$447,000 for FY27.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

