
BILL/VERSION:	SB 1278 / INTRODUCED	ANALYST: MM
AUTHORS:	Sen. Bullard	DATE: 1/9/2026
TAX(ES):	Sales/Use Tax	
SUBJECT(S):	Sales Tax Holiday for Firearms	
EFFECTIVE DATE:	Nov. 1, 2026	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY28: Estimated decrease of \$1,011,000 in state sales tax revenues.

ANALYSIS: The measure would exempt the sale of “firearms¹” from sales and use tax during a firearms sales tax holiday during the month of July.

According to data from the Federal Bureau of Investigations, the average number of monthly NICS firearm background checks conducted in Oklahoma for 2024 & 2025 was 28,739. Assuming a 1% denial rate², consistent average monthly sales, and an estimated average firearm price of \$750³, results in an estimated \$21.3 million in taxable receipts per month. After adjusting for inflation and applying the 4.5% state sales tax rate, this results in an estimated \$1.01 million reduction in state sales tax revenues for FY28⁴. This estimate assumes normal purchasing behavior and does not account for changes in the timing of sales, such as purchases being deferred from prior months to occur during the tax-free period; the extent of any such behavioral changes cannot be reliably estimated.

ADMIN CONCERNS: The proposed sales tax holiday does not comply with the Streamlined Sales and Use Tax Agreement (SSUTA), which may cause Oklahoma to fall out of compliance. The SSUTA facilitates sales and use tax collection from both local and online sellers, ensuring Oklahoma receives appropriate tax revenue from these sources. If Oklahoma fails to follow the SSUTA, the state could face sanctions and make sales tax rules more complicated for both Oklahoma businesses and remote sellers.

¹ “Firearm” is defined as a rifle, pistol, handgun, or shotgun.

² National Instant Criminal Background Check System (NICS) Section. *NICS Section Denials by State/Territory: Oklahoma*. 2024 Operational Report.

³ Available estimates vary widely depending on the type and number of firearms sold. An assumed price of \$750 may represent the upper end of the range for handguns but the lower end of the range for rifles and shotguns.

⁴ The first holiday would occur July 2027 (FY28), following the November 1, 2026 effective date.

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The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.