
BILL/VERSION:	SB 1576 / INTRODUCED	ANALYST: MM
AUTHORS:	Sen. Hamilton	DATE: 1/29/2026
TAX(ES):	Sales/Use Tax	
SUBJECT(S):	Exemption	
EFFECTIVE DATE:	November 1, 2026	Emergency <input checked="" type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY27: Unknown decrease in state sales tax revenues

FY28: Unknown decrease in state sales tax revenues

ANALYSIS: The measure would provide a sales tax exemption for purchases made by Oklahoma residents who have retired from service with a municipal police force or a county sheriff's office. To qualify, an individual must have remained on duty until eligible for full retirement benefits and submit an application prescribed by the Oklahoma Tax Commission (OTC). The OTC would verify eligibility using appropriate retirement documentation and, upon verification, issue an exemption card. The exemption card would be valid for 3 years and may be renewed upon reapplication.

As of June 30, 2024, the Oklahoma Police Pension and Retirement System (OPPRS) covers 3,309 retirees, 1,001 beneficiaries, and 174 disabled members, for a total of approximately 4,484 retired individuals or beneficiaries receiving benefits, alongside 5,046 active members. However, data is not available to determine how many of these individuals retired specifically from a municipal police force or a county sheriff's office, or how many retirees from such agencies are not participants in OPPRS. In addition, the measure would not disqualify individuals who retired from an out-of-state municipal police force or county sheriff's office and subsequently became residents of Oklahoma.

The measure is expected to result in an unknown decrease in state sales tax revenues.

ADMINISTRATIVE IMPACT: This proposal may have an administrative impact on the Oklahoma Tax Commission. The OTC is currently assessing the extent of the impact and evaluating associated costs.

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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.