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<b>BILL/VERSION:</b>	<b>SB 1851 / INTRODUCED</b>	<b>ANALYST:</b> MM
<b>AUTHORS:</b>	Sen. Reinhardt	<b>DATE:</b> 1/9/2026
<b>TAX(ES):</b>	Sales/Use Tax	
<b>SUBJECT(S):</b>	Exemption	
<b>EFFECTIVE DATE:</b>	November 1, 2026	<b>Emergency</b> <input type="checkbox"/>

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**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 public trusts in which a municipality is the beneficiary.

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 not possible to determine how many municipalities currently or potentially would benefit under the proposed exemption criteria, nor 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.

2/20/26  
DATE

Huan Gong  
DR. HUAN GONG, CHIEF TAX ECONOMIST

2/20/26  
DATE

Marie Schuble  
MARIE SCHUBLE, DIVISION DIRECTOR

2/23/26  
DATE

Joseph P. Gappa  
JOSEPH P. GAPPA, FOR THE COMMISSION

*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.*