
BILL/VERSION:	SB 1995 / INTRODUCED	ANALYST: MM
AUTHORS:	Sen. Green	DATE: 1/21/2026
TAX(ES):	Sales and Use Tax	
SUBJECT(S):	Exemption for homemade food	
EFFECTIVE DATE:	November 1, 2026	Emergency <input checked="" type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY27: Unknown decrease in state (and local) sales tax revenues.

FY28: Unknown decrease in state (and local) sales tax revenues.

ANALYSIS: The measure provides a sales tax exemption, including local sales tax, for sales of homemade food products produced by a home food establishment. The exemption applies to sales made directly by these entities, including sales conducted at registered farmers markets. The measure also requires the Oklahoma Tax Commission (OTC) to issue an exemption upon presentation of specified documentation from the Oklahoma Department of Agriculture, Food, and Forestry (ODAFF).

Currently, these producers are required to register with ODAFF only if they choose not to include personal contact information on product labels and instead use a registration number. Approximately 500 producers have registered under this option, though this may represent only a small and untracked portion of total producers. While these entities must obtain sales tax permits from the OTC, they cannot be readily identified in existing tax records, and the amount of state and local sales tax remitted cannot be determined. Accordingly, the fiscal impact of the measure is unknown.

Administrative Note: Under this measure, the exemption permit would apply to an entity's sales of goods rather than the typical exemption permit applying to an entity's purchases. As a result, administration of a new permit and reporting scheme would require system development. The Oklahoma Tax Commission is currently assessing the extent of the administrative impact and evaluating the associated costs.

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 Huan Gong
 DR. HUAN GONG, CHIEF TAX ECONOMIST


 MARIE SCHUBLE, DIVISION DIRECTOR

 Joseph P. Gappa
 JOSEPH P. GAPPY, 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.