OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-THIRD OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: May 20, 2011

BILL NUMBER: HB 1475 **STATUS AND DATE OF BILL:** Enrolled 05/19/2011

AUTHORS: House Armes & Ritze Senate Barrington

TAX TYPE (S): Sales Tax **SUBJECT:** Other

PROPOSAL: Amendatory 68 O.S. § 1634

Section 1 provides that every retail sale of fireworks by a wholesaler, distributor, manufacturer or retailer shall be subject to sales tax. Further, the section requires that all retail fireworks locations must possess a current sales tax permit which is to be conspicuously posted and immediately available for examination. Also, the Section provides that vendors failing to collect sales tax shall be subject to the penalties provided in Section 1361 of Title 68.

EFFECTIVE DATE: August 26, 2011[1]

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 12: $36,000 increase in state sales tax revenues.
FY 13: Unknown positive increase in state sales tax revenues.

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 12: None

May 24, 2011 — Rick Miller — mm
DATE — DIVISION DIRECTOR

5-24-2011 — [signature]
DATE — REECE WOMACK, ECONOMIST

5/24/11 — [signature]
DATE — FOR THE COMMISSION

1 Assumes the published sine die date of May 27, 2011.

ATTACHMENT TO FISCAL IMPACT HB 1475 [Enrolled] Prepared May 20, 2011.

Section 1 provides that all retail fireworks sales by a wholesaler, distributor, manufacturer or retailer shall be subject to sales tax.

An unknown positive impact on state sales tax revenues for FY 12 is associated with the above-referenced provisions of Section 1.

Further, Section 1 requires that all retail fireworks locations must possess a current sales tax permit which is to be conspicuously posted and immediately available for examination.

Currently, vendors make sales of fireworks and remit sales tax thereon pursuant to the issuance of a retail fireworks license. Should the 1,800 vendors which obtained a retail fireworks license in FY 10 obtain a sales tax permit before July 1, 2012, an estimated increase in sales tax permit license fees of $36,000 for FY 12 will occur.