

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 7, 2011

BILL NUMBER: HB 1623 STATUS AND DATE OF BILL: Introduced 12/13/10

AUTHORS: House Brown Senate N/A

TAX TYPE (S): Sales Tax SUBJECT: Exemption

PROPOSAL: Amendatory - 68 O.S. § 1357(34)

The measure proposes to expand the sales tax exemption for 100% disabled veterans to include sales to the surviving spouse of a deceased qualified veteran.

EFFECTIVE DATE: July 1, 2011

REVENUE IMPACT:

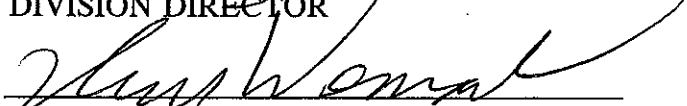
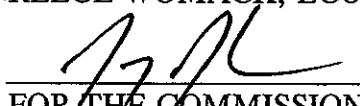
Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 12: \$2,120,000 decrease in sales tax collections

ADMINISTRATIVE IMPACT:

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

FY 12: None

<u>2/7/11</u> DATE	<u></u> DIVISION DIRECTOR	bjs
<u>2/8/11</u> DATE	<u></u> KEECE WOMACK, ECONOMIST	
<u>2/10/11</u> DATE	<u></u> FOR THE COMMISSION	

ATTACHMENT TO FISCAL IMPACT-HB 1623-[Introduced]-Prepared February 7, 2011

Information obtained from the Oklahoma Department of Veterans Affairs, indicates there are approximately 2,533 surviving spouses who would qualify for the proposed exemption. Based on U.S. Department of Labor statistics, the amount of estimated annual sales taxable expenditures per household was \$18,302 for FY 10. Multiplying the 2,533 surviving spouses, by the estimated annual expenditures of \$18,302, results in total annual sales taxable expenditures of \$46,358,966 for FY 10. Applying the state sales tax rate of 4.5%, results in a decrease in state sales tax collections of \$2,086,153. The estimated decrease in sales tax collections for FY 12 (including a 1.6% inflation rate adjustment) is \$2,119,531.