

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 17, 2011

BILL NUMBER: SB 0687 **STATUS AND DATE OF BILL:** Engrossed 03/10/2011

AUTHORS: House Armes Senate Barrington

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

PROPOSAL: Amendatory 68 O.S. §§1625, 1634

Section 1 removes the language which allowed for a period of 60 days after the passage of SB 2253 [2010]¹ for any licensed manufacturer, distributor, and wholesaler permitted to sell fireworks at wholesale or retail.²

Section 2 provides that all fireworks sales to a consumer by a wholesaler, distributor, manufacturer or retail shall be subject to sales tax stating that no exceptions or exemptions from the sales tax levy shall apply to the sales. Further, the measure requires that all retail fireworks locations must possess a current sales tax permit which is to be conspicuously posted and immediately available for examination.

EFFECTIVE DATE: Emergency-July 1, 2011

REVENUE IMPACT:

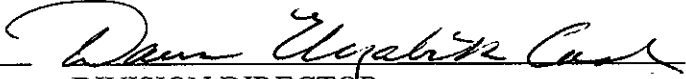
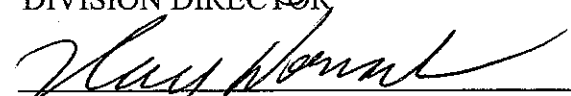
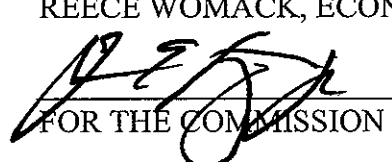
Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 12: \$36,000 increase in sales tax revenue.³

ADMINISTRATIVE IMPACT:

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

FY 12: None

<u>3/21/11</u> DATE	<u></u> DIVISION DIRECTOR	<u>mm</u>
<u>3/22/2011</u> DATE	<u></u> REECE WOMACK, ECONOMIST	
<u>3/22/11</u> DATE	<u></u> FOR THE COMMISSION	

¹ Effective June 8, 2010.

² In accordance with Section 1623 of Title 68 of the Oklahoma Statutes.

³ Assuming that all fireworks vendors apply for a sales tax permit before July 01, 2012.

ATTACHMENT TO FISCAL IMPACT SB 0687 [Engrossed] Prepared March 17, 2011.

Provides that all fireworks sales to a consumer by a wholesaler, distributor, manufacturer or retail shall be subject to sales tax stating that no exceptions or exemptions from the sales tax levy shall apply to the sales.

An unknown positive impact on state sales tax revenues for FY 12 is associated with the above-referenced provisions of Section 4.

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.

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 will occur for FY 12.