

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 9, 2013

BILL NUMBER: HB 1054 STATUS AND DATE OF BILL: Introduced 12/26/2012

AUTHORS: House McDaniel (Jeannie) Senate n/a

TAX TYPE (S): Sales SUBJECT: Exemption

PROPOSAL: Amendatory 68 O.S. § 1356

The measure exempts from the levy of sales tax, sales of tangible personal property or services to or by 501(c)(3) organizations that are organized for the purpose of maximizing the academic potential of at-risk students enrolled in public schools in Oklahoma by providing school supplies during the school year through a nonprofit free store for teachers.

EFFECTIVE DATE: July 1, 2013-Emergency

REVENUE IMPACT:

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

FY 14: \$1,000 decrease in state sales tax collections

ADMINISTRATIVE IMPACT:

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

FY 14: None

Feb. 11, 2013
DATE

2-11-2013
DATE

2/11/13
DATE

Rick Miller
DIVISION DIRECTOR

Reece Womack
REECE WOMACK, ECONOMIST

[Signature]
FOR THE COMMISSION

bjs

ATTACHMENT TO FISCAL IMPACT–HB 1054–[Introduced]–Prepared February 9, 2013.

The measure exempts from the levy of sales tax, sales of tangible personal property or services to or by 501(c)(3) organizations that are organized for the purpose of maximizing the academic potential of at-risk students enrolled in public schools in Oklahoma by providing school supplies during the school year through a nonprofit free store for teachers.

There is one known organization which could qualify for the proposed sales tax exemption. Information received from the entity indicates that the organization is in its initial start-up phase and has not incurred any operational expenses at this time. Based on the experience of a similar group upon which the organization is modeling its operations, it expects to distribute approximately \$1,300,000 in donated products during the first year of operation of the free school store which it anticipates will begin July, 2014. The organization does not anticipate making purchases of any of the items that will be supplied in the free store for teachers but will make purchases pertaining to daily operational expenses, i.e. office equipment and supplies, etc. in the estimated amount of \$29,000 for FY 14. Applying the state sales tax rate of 4.5% yields a decrease in state sales tax collections of \$1,305.

The estimated decrease in sales tax collections for FY 14 is \$1,305.