

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: April 23, 2014

BILL NUMBER: HB 2832 STATUS AND DATE OF BILL: Enrolled 04/22/2014

AUTHORS: House Martin (Scott), Sherrer, Hoskin & Walker Senate Standridge

TAX TYPE (S): Sales Tax SUBJECT: Administrative

PROPOSAL: Amendatory 68 O.S. § 1357

The measure amends 68 O.S. § 1357(34) which provides a sales tax exemption for sales to qualifying 100% disabled veterans and surviving spouses of deceased qualified veterans by requiring the Tax Commission to issue, upon request of the eligible person, a separate sales tax exemption card to a spouse of an eligible person or to a member of the household, in which the eligible person resides and who is authorized to make purchases on the person's behalf.

EFFECTIVE DATE: November 1, 2014

REVENUE IMPACT:

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

FY 15: None

FY 16: None

ADMINISTRATIVE IMPACT:

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

FY 15: \$35,000 increase in costs to the Tax Commission

Apr. 23, 2014
DATE

Rick Miller
DIVISION DIRECTOR

bjs

4-23-14
DATE

Reece Womack
REECE WOMACK, ECONOMIST

4/24/14
DATE

Dawn Cash
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT HB 2832 [Enrolled] Prepared April 23, 2014

The measure amends 68 O.S. § 1357(34) which provides a sales tax exemption for sales to qualifying 100% disabled veterans and surviving spouses of deceased qualified veterans by requiring the Tax Commission to issue, upon request of the eligible person, a separate sales tax exemption card to a spouse of an eligible person or to a member of the household, in which the eligible person resides and who is authorized to make purchases on the person's behalf.

While a spouse or household member of a qualifying disabled veteran may make purchases on the veteran behalf, it is the standard policy of the Commission to only issue an exemption card to the person or entity qualified for exemption pursuant to the Oklahoma Sales Tax Code. In the event that the veteran, spouse or authorized household member is without the card at the time of sale and sales tax is remitted, the veteran's exemption is not forfeited. The veteran may request a refund of the sales tax paid from the vendor by documenting the exemption at a later date or by submitting a refund request to the Oklahoma Tax Commission.

Information contained in Tax Commission records indicates that 24,573 100% disabled veteran and 1,384 surviving spouse exemption cards have been issued. For the purpose of this impact, it is estimated that 1.5 household members of each eligible person or 38,936 individuals would be issued an exemption card. The cost of postage, paper and envelopes in the approximate of \$35,431 is attributable to this proposed requirement. Therefore, enactment of this measure would result in administrative costs to the OTC of approximately \$35,431.