

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 24, 2015

BILL NUMBER: SB 80 STATUS AND DATE OF BILL: Introduced 12/29/2014

AUTHORS: House n/a Senate Barrington

TAX TYPE (S): Sales Tax SUBJECT: Exemption

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

The measure proposes to amend 68 O. S. § 1357(34) by expanding the sales tax exemption for an unremarried surviving spouse of a deceased qualified veteran by increasing purchases qualifying for exemption from \$1,000 to \$10,000 per year.

EFFECTIVE DATE: November 1, 2015

REVENUE IMPACT:

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

FY 16: \$405,000 decrease in sales tax collections

FY 17: \$694,000 decrease in sales tax collections

ADMINISTRATIVE IMPACT:

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

FY 16: None

Jan 24, 2015
DATE

Rick Miller
DIVISION DIRECTOR

bjs

1-26-15
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/1/15
DATE

Dan Cash
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT – SB 80 – [Introduced] Prepared January 24, 2015.

The measure proposes to amend 68 O. S. § 1357(34) by expanding the sales tax exemption for an unmarried surviving spouse of a deceased qualified veteran by increasing purchases qualifying for exemption from \$1,000 to \$10,000 per year.

Tax Commission records indicate that 1,714 surviving spouses have been issued sales tax exemption permits. Multiplying the 1,714 surviving spouses by the proposed \$9,000 increase in purchases qualifying for exemption, results in total annual sales taxable expenditures of \$15,426,000 for FY 16. Applying the state sales tax rate of 4.5% yields a decrease in state sales tax collections of \$694,170.

With an effective date of November 1, 2015, an estimated decrease in state sales tax collections of \$404,933 will occur in FY 16¹ and an estimated decrease in state sales tax collections of \$694,170 will occur in FY 17.

¹ Includes seven months of sales tax collections.