OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: 05/11/2015

BILL NUMBER: SB 425 **STATUS AND DATE OF BILL:** Enrolled 04/29/2015

AUTHORS: House Grau Senate Holt

TAX TYPE (S): Alcohol & Mixed Beverage **SUBJECT:** Exemption

PROPOSAL: Amendatory

Section 1 proposes to amend Section 506 of Title 37 by providing for a definition of private event. Section 2 proposes to amend Section 521 of Title 37 by providing that holders of an annual or one-time public event license may choose to utilize the services of a licensed caterer to provide and distribute alcoholic beverages at their events. Section 9 proposes amendment to Section 554 of Title 37 to exempt from the alcohol excise tax alcoholic beverages provided to attendees, free of charge at charitable events licensed and approved by the ABLE Commission and mixed beverage and public event licensees which utilize the services of a licensed caterer. Section 10 provides that holders of mixed beverage and public event licenses issued by the ABLE Commission utilizing the services of a caterer are not required to obtain a mixed beverage permit from the OTC.

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: Unknown decrease in alcohol excise tax collections
FY 17: Unknown decrease in alcohol excise tax collections

ADMINISTRATIVE IMPACT:

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

FY 16: None

May 11, 2015 — Rick Miller — mel
DATE — DIVISION DIRECTOR

5-12-15 — Reece Womack
DATE — REECE WOMACK, ECONOMIST

5/12/15 — Dan Case
DATE — FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT – SB 425 [Enrolled] Prepared 05/11/2015

Section 1 proposes to amend Section 506 of Title 37 by providing for a definition of private event and by clarifying that certain alcoholic beverages sold by a public event and charitable event constitute mixed beverages.

Section 2 proposes to amend Section 521 of Title 37 by providing that holders of an annual or one-time public event license may choose to utilize the services of a licensed caterer to provide and distribute alcoholic beverages at their events. The licensed caterer utilized by the public event licensee shall be responsible for payment of all applicable mixed beverages taxes pursuant the mixed beverage permit issued by the Tax Commission.

Section 9 proposes amendment to Section 554 of Title 37 to exempt from the alcohol excise tax alcoholic beverages provided to attendees, free of charge at charitable events licensed and approved by the ABLE Commission and mixed beverage and public event licensees which utilize the services of a licensed caterer.

An unknown decrease in alcohol excise tax is estimated to occur as a result of the provisions proposed in Section 9 due to numerous unknown variables including: number of qualifying events per year and quantity of alcohol consumed at said events.

Section 10 provides that holders of mixed beverage and public licenses issued by the ABLE Commission utilizing the services of a caterer are not required to obtain a mixed beverage permit from the OTC.