OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: April 9, 2015

BILL NUMBER: SB 571

STATUS AND DATE OF BILL: House Amendments to Senate Bill 04/07/2015

AUTHORS: House Leewright Senate Shortey

TAX TYPE (S): Sales Tax **SUBJECT:** Exemption

PROPOSAL: Amendatory 68 O.S. 1358

The measure proposes to exempt from the levy of sales tax, consumer sales of agricultural products produced in Oklahoma by an authorized agent of the producer of the agricultural products when sold at or from the farm or when such products are sold by the producer or authorized agent at a roadside stand or farmers market, as defined by the Oklahoma Department of Agriculture, Food, and Forestry.[1]

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: Minimal decrease in state sales tax revenues
FY 17: Minimal decrease in state sales tax revenues

ADMINISTRATIVE IMPACT:

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

FY 16: None

Apr. 9, 2015 — Rick Miller — bjs
DATE — DIVISION DIRECTOR

4-9-15
DATE — REECE WOMACK, ECONOMIST

4/10/15
DATE — FOR THE COMMISSION

1 Oklahoma Department of Agriculture, Food, and Forestry defines a farmers market as a designated area in which farmers, growers or producers from a defined region gather on a regularly scheduled basis to sell at retail non-potentially hazardous farm food products and whole shell eggs to the public. A portion of the raw food ingredients used by the individual vendor to produce a product must have been grown or raised by the vendor. The individual vendors wishing to process food as defined by Chapter 260 of the regulations must obtain a state food processor's license. A Farmers' Market must have written operational guidelines and a minimum of six vendors along with a designated market manager or advisory board who will be responsible for distribution of a copy of the guidelines to the vendors. Farmers' Markets must be registered by the Oklahoma Department of Agriculture, Food and Forestry and comply with the *Food Service Establishment Regulations*, Chapter 257, and/or *Good Manufacturing Practice, Chapter 260*. This definition does not include individual farmers who grow and sell unprocessed fruit and/or vegetables from the farm, roadside or truck. Any vendors who prepare or sell any potential hazard foods at the Farmers' Markets must abide by all applicable sections of Chapter 257 of the regulations.

ATTACHMENT TO FISCAL IMPACT–SB 571–[HASB]–Prepared 04/09/2015

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Most if not all of the transactions covered in the proposed amendments to Section 1358(A)(1) of Title 68 are currently exempted from the sales tax levy and therefore any decrease in sales tax collections occurring as a result thereof would be minimal.