OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 13, 2016

BILL NUMBER: SB 1454 **STATUS AND DATE OF BILL:** Introduced 01/21/2016

AUTHORS: House n/a Senate Sparks

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

PROPOSAL: Amendatory

The measure proposes to amend 68 O.S. § 1356 by exempting from the sales tax levy, sales of tangible personal property or services to or by a local chapter of a national organization which:

- has as its primary mission to build effective local chapters nationwide through education, inspiration and support through a number of community-based philanthropic programs, including but not limited to, Operation School Bell,
- has at least 120 chapters across the United States, and
- is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3).

EFFECTIVE DATE: November 1, 2016

REVENUE IMPACT:

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

FY 17: Unknown decrease in state sales tax collections
FY 18: Unknown decrease in state sales tax collections

ADMINISTRATIVE IMPACT:

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

FY 17: None

Feb. 15, 2016
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2-15-16
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/15/16
DATE

FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT-SB 1454-[Introduced]-Prepared February 13, 2016.

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- has at least 120 chapters across the United States, and
- is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3).

While Oklahoma chapters of one such national organization have been specifically identified to fall within the stated language of the proposed sales tax exemption it is likely that the broad eligibility parameters of the current proposal will serve to exempt multiple organizations with similar missions conducting community-based philanthropic programs which could result in a significant decrease in state sales tax collections. In order to provide a comprehensive estimated revenue impact, the identification process of potentially qualifying organizations is ongoing.