

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: April 25, 2019

BILL NUMBER: SB 18 **STATUS AND DATE OF BILL:** Enrolled 04/24/2019

AUTHORS: House Hilbert & Stone Senate Thompson & Stanley

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

PROPOSAL: Amendatory

The measure proposes amendment to Section 1357 of Title 68 by extending the sunset date for the sales tax exemption for rolling stock sold by a manufacturer thereof for use or consumption by a common carrier directly in the rendition of public service to July 1, 2024, from July 1, 2019.

Additionally, beginning July 1, 2019 and ending July 1, 2024, the measure also expands the meaning of "sales and leases" to include railroad car maintenance and retrofitting of railroad cars for their further use only on the railways.

EFFECTIVE DATE: Emergency – July 1, 2019

REVENUE IMPACT:

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

FY 20: Unknown decrease in state sales tax revenues.

Apr. 25, 2019
DATE

Rich Miller
DIVISION DIRECTOR

msm

4-25-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

4-30-19
DATE

Jim White
FOR THE COMMISSION

The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT – SB18 – [Enrolled] — Prepared April 24, 2019

The measure extends the sunset date for sales tax exemption of rolling stock sold by a manufacturer thereof for use or consumption by a common carrier directly in the rendition of public service to July 1, 2024, from July 1, 2019.

Additionally, beginning July 1, 2019 and ending July 1, 2024, the measure also expands the meaning of “sales and leases” to include railroad car maintenance and retrofitting of railroad cars for their further use only on the railways.

This expanded language would exempt sales of parts and supplies sold by a manufacturer of rolling stock in the maintenance or retrofitting of railroad cars for their further use on the railways. It is not known the extent to which exempting the maintenance and retrofitting activities will impact state sales tax revenues. Therefore, it is estimated that an unknown decrease in state sales tax revenues will occur for FY 20.