

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: January 26, 2021

BILL NUMBER: SB 248 **STATUS AND DATE OF BILL:** Introduced 01/04/2020

AUTHORS: House n/a Senate Montgomery

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

PROPOSAL: Amendatory

The measure proposes amendment to Section 1356 of Title 68 to exempt from the sales tax levy, sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the principal functions of which are to provide assistance to natural person following a disaster¹, with program emphasis on repair or restoration to single-family residential dwellings or the construction of a replacement single-family residential dwelling. An entity that expended at least 75% of its funds on the restoration to single-family housing following a disaster, regardless of the date of the disaster, in the period January 1, 2019, through June 30, 2020, including related general and administrative expenses, shall be eligible for the exemption authorized by this paragraph.

EFFECTIVE DATE: July 1, 2021 - Emergency

REVENUE IMPACT:

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

FY 22: Minimal

Jan. 29, 2021
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2/1/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/1/21
DATE

[Signature]
FOR THE COMMISSION

The 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.

¹ For purposes of the proposed exemption "disaster" is defined to mean damage to property with or without accompanying injury to person from heavy rain, high winds, tornadic winds, drought, wildfire, snow, ice, geologic disturbances, explosions, chemical accidents or spills and other events, whether manmade or naturally occurring, causing damage to property on a large scale.

ATTACHMENT TO REVENUE IMPACT – SB 248 – [Introduced] – Prepared 01/26/2021

The measure proposes amendment to Section 1356 of Title 68 to exempt from the sales tax levy, sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the principal functions of which are to provide assistance to natural person following a disaster², with program emphasis on repair or restoration to single-family residential dwellings or the construction of a replacement single-family residential dwelling. An entity that expended at least 75% of its funds on the restoration to single-family housing following a disaster, regardless of the date of the disaster, in the period January 1, 2019, through June 30, 2020, including related general and administrative expenses, shall be eligible for the exemption authorized by this paragraph.

Presently, there is one known organization which could qualify for the proposed sales tax exemption. A representative of the organization indicated that the organization made no taxable purchases in FY 20 and that it received donated items for a few restoration projects. The estimated revenue impact associated with this measure is anticipated to be minimal in nature.

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