

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: January 27, 2021

BILL NUMBER: SB 461 **STATUS AND DATE OF BILL:** Introduced 1/19/2021

AUTHORS: House n/a Senate Daniels

TAX TYPE (S): Sales & Use Tax **SUBJECT:** Other

PROPOSAL: New Law 68 O.S. §§ 1367.2 and 1410.2

For purposes of compensating vendors for record maintenance and the timely filing and remittance of sales and use tax, the measure proposes to allow vendors to retain one percent of monthly sales/use taxes due¹.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

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

FY 22: \$7,873,000 decrease in state sales tax revenues
\$1,174,000 decrease in state use tax revenues
FY 23: \$13,497,000 decrease in state sales tax revenues
\$2,013,000 decrease in state use tax revenues

Jan. 27, 2021
DATE

Rick Miller
DIVISION DIRECTOR

msm

1/27/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

1/29/21
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 Capped at a maximum of Two Thousand Five Hundred Dollars per month per sales tax permit.

ATTACHMENT TO REVENUE IMPACT – SB 461 – [Introduced] – Prepared 01/27/2021

For purposes of compensating vendors for record maintenance and the timely filing and remittance of sales and use tax, the measure proposes to allow vendors to retain one percent of monthly sales/use taxes due².

Based upon Oklahoma Tax Commission sales and use tax remittance data for FY 20, allowing a vendor discount in the manner prescribed results in an estimated decrease of \$7,873,366 in state sales tax revenues in addition to an estimated decrease of \$1,173,978 in state use tax revenues for FY 22.³ A decrease in state sales tax collections of \$13,497,199 along with a decrease of \$2,012,533 in use tax revenues is estimated for FY 23.

² Capped at a maximum of Two Thousand Five Hundred Dollars per month per sales tax permit.

³ Seven months of sales tax collections are affected by this proposal in FY 22.