OKLAHOMA
Tax Commission

REVENUE IMPACT STATEMENT
2025 REGULAR SESSION
60TH LEGISLATURE, 1ST SESSION

BILL/VERSION:	HB 1854/ INTRODUCED	**ANALYST**: BS
AUTHORS:	Rep. Schreiber	**DATE**: 1/14/2025
TAX(ES):	Sales Tax	
SUBJECT(S):	Exemption	
EFFECTIVE DATE:	July 1, 2025	**Emergency** ☒

ESTIMATED REVENUE IMPACT:

FY26: Unknown decrease in state sales tax collections.
FY27: Unknown decrease in state sales tax collections.

ANALYSIS: HB 1854 proposes amendments to Section 1356 of Title 68 by exempting certain sales of tangible personal property or services to eligible nonprofit organizations.

Presently, one organization has been identified which could qualify for the proposed sales tax exemption whose principal purpose is to provide school supplies or articles of clothing for underserved students attending at public schools in this state. The proposed exemption includes certain construction costs. In FY24, it paid an estimated $3,000 in state sales tax. Assuming similar taxable expenditures for FY26 and FY27, results in a **minimal decrease** in state sales tax collections. Should other qualifying entities be identified, the impact could increase.

HB 1854 also provides an exemption for organizations supporting municipal law enforcement officers. The potential decrease in sales tax collections from these organizations is currently **unknown**, as no data are available on the number of entities that would qualify for the related sales tax expenditures.

2/3/25	Huan Gong
DATE	DR. HUAN GONG, CHIEF TAX ECONOMIST
2/3/25	Marie Schuble
DATE	MARIE SCHUBLE, DIVISION DIRECTOR
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DATE	JOSEPH P. GAPPA, 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.