OKLAHOMA
Tax Commission

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

BILL/VERSION:	SB 232 / INTRODUCED	**ANALYST**: BS
AUTHORS:	Sen. Rader	**DATE**: 12/31/2024
TAX(ES):	Sales Tax	
SUBJECT(S):	Exemption	
EFFECTIVE DATE:	Nov. 1, 2025	**Emergency** ☐

ESTIMATED REVENUE IMPACT:

FY26: $1.24 million decrease in state sales tax collections.
FY27: $2.13 million decrease in state sales tax collections.

ANALYSIS: SB 232 proposes amendments in 68 O.S. § 1357(23) to replace the previous exemption for sales to production companies for specific types of eligible productions (e.g., documentaries, TV shows, feature films) with an exemption for sales related to the construction, renovation, improvement, or expansion of media production facilities within a qualified location. The measure outlines application requirements, designates the Oklahoma Film and Music Office as the application administrator, and requires notice of approval to the Oklahoma Tax Commission.

Based on information received from the Oklahoma Department of Commerce, four vendors may qualify as qualified media production facilities. The total combined materials cost to build all four media production facilities is estimated to be $75 million. Under the proposed measure, this equates to a potential total decrease in state sales tax collections of $3.37 million. Assuming these costs are spread over multiple fiscal years, for FY26, considering the November 1, 2025 effective date, the decrease in sales tax collections would be $1.24 million. The decrease for FY27 would be $2.13 million.

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