



BILL/VERSION:	SB 1102 / ENGROSSED	ANALYST: MM
AUTHORS:	Sen. Coleman/ Rep. Roe	DATE: 4/11/2025
TAX(ES):	Sales and Use Tax	
SUBJECT(S):	Exemption	
EFFECTIVE DATE:	Upon Passage and Approval	Emergency ☒

ESTIMATED REVENUE IMPACT:

FY26: No impact to state sales tax revenues, minimal increase in permit fees.

FY27: No impact to state sales tax revenues, minimal increase in permit fees.

ADMINISTRATIVE IMPACT: additional \$706,000 annually (see attached for details)

ANALYSIS: Section 1 establishes a definition for “vapor product” in Title 63 and mandates that all “vapor product manufacturers” submit an attestation to the Oklahoma Attorney General (OAG) before selling their products in the state, effective July 1, 2025. By September 1, 2025, the OAG must maintain and publicly share a list of approved vapor product manufacturers and products.

Sections 2 & 3 amend Sections 400.1 and 400.5 of Title 68, granting the Oklahoma Tax Commission (OTC) authority to verify that retailers purchase tobacco and vapor products exclusively from OTC-licensed wholesalers and manufacturers. These sections require retailers to source vapor products only from the OAG’s approved list and allow for the seizure, destruction, and issuance of fines for unauthorized products.

Sections 4-6 require vapor products to be purchased through licensed wholesalers or manufacturers. Manufacturers must register with the OTC and pay an annual fee of \$250. Additionally, all retailers selling vapor products must obtain the same \$30 permit currently required for tobacco retailers.

Sections 7-9 authorize the seizure of unauthorized vapor products and impose the same invoicing requirements on vapor product wholesalers as those applied to tobacco wholesalers.

4/11/25

DATE

Huan Gong

DR. HUAN GONG, CHIEF TAX ECONOMIST

4/14/25

DATE

Marie Schuble

MARIE SCHUBLE, DIVISION DIRECTOR

4/14/25

DATE

Joseph P. Gappa

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.



ADMIN CONCERNS and Administrative Impact: Vapor products will continue to be subject to sales tax, which may present challenges in enforcing regulations in the same manner as those for tobacco or cigarettes. The September 1, 2025 implementation date will leave the OTC without sufficient time or personnel to train and enforce SB 1102.

According to OTC records, the state has approximately 7,807 active vape permits or locations. For administration and enforcement purposes, this measure necessitates a minimum of four additional employees at an annual administrative cost of \$361,870. Additionally, travel expenses are expected to increase by \$66,000 per year, with storage and destruction of seized items costing \$185,000 annually. Approximately 3 months are anticipated for system development, with a one-time cost of \$93,000.