

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3429</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>9124</b>
<b>Author:</b>	<b>Rep. Archer</b>
<b>Date:</b>	<b>2/16/2024</b>
<b>Impact:</b>	<b>FY25: \$305,000 decrease in revenue</b>

**Research Analysis**

Pending

Prepared By: House Research Staff

**Fiscal Analysis**

As introduced, HB3429 proposes to exempt rifle firearm ammunition from Oklahoma state sales tax when the ammunition is designed to be used in connection with hunting deer and if the sales price of the ammunition is less than \$100.00 and if the sale occurs within the designated time frame outlined in the measure.

Analysis from the Oklahoma Tax Commission:

**REVENUE IMPACT:**

Sales involving ammunition are not tracked or captured from the OTC's sales tax data base. An estimate for these sales is derived from information from the U.S. Treasury and FBI data, Oklahoma Department of Wildlife Conservation, and industry information.

**FY 25: An estimated decrease of \$305,000 in state sales tax revenues<sup>3</sup>**

**ANTICIPATED IMPACT:**

An estimated decrease of \$305,000 in state sales tax revenues is anticipated as a result of the proposal outlined in HB 3429.

*Analysis:*

The Oklahoma Department of Wildlife Conservation (Wildlife) specifies that there are 4 deer seasons that involve the use of firearms<sup>5</sup>, and therefore a maximum of 4 eligible weekends whereby specific ammunition may be sold exempt from sales tax. Individuals may hunt deer with any ammunition that is above 55 grains<sup>6</sup>. This disallows ammunition that is .22 caliber or below and most shotgun ammunition<sup>7</sup>. It is assumed that Oklahoma consumers will make all their monthly purchases of ammunition, except for .22 caliber and most shotgun rounds, during these first weekends for the months of October through December to take advantage of the tax exemption.

The U.S. Treasury estimated \$2,825,719,105 of ammunition sales were made in FY 23, and Oklahoma may account for about 1.2% of those sales<sup>8</sup>, resulting in approximately \$33,908,629 in taxable sales of ammunition that occurred in Oklahoma. Reducing these taxable sales by 20%<sup>9</sup> results in an estimated \$27,126,903 in ammunition sales that are allowed to be used for deer hunting in Oklahoma, and a respective \$1,220,711 in state sales tax (4.5%). Assuming all consumers will make all<sup>10</sup> of their monthly ammunition purchases during the first weekends for the months of October through December (3 months) results in an estimated decrease of \$305,178 in state sales tax revenues for FY 25.

**ADMINISTRATIVE CONCERNS:**

Oklahoma is currently a compliant member of the Streamlined Sales and Use Tax Agreement and there are specific terms/definitions, and rules regarding tax holidays. The tax holiday as described in HB 3429 is currently not defined in the Agreement, which could result in Oklahoma becoming non-compliant.

Prepared By: Zach Penrod

**Other Considerations**

None.