

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	SB 909
Version:	ENGR
Request Number:	NA
Author:	Rep. Mize
Date:	4/5/2021
Impact:	Tax Commission:

Revenue Estimates:

FY-22: (\$146,000) Decrease in Sales Tax Collections
FY-23: (\$253,000) Decrease in Sales Tax Collections

Research Analysis

SB 909 provides a sales tax exemption for sales of tangible personal property or services to a museum that operates as part of a 501(c)(3) organization, is not accredited by the American Alliance of Museums, operates on an annual budget of less than \$1 million and maintains a staff of fewer than five full-time equivalent employees. The exemption is set to expire on December 31, 2024.

Prepared By: Emily McPherson

Fiscal Analysis

Analysis provided by the Tax Commission:

The measure proposes to amend 68 O.S. § 1356 by exempting from the sales tax levy beginning November 1, 2021 through December 31, 2024, sales of tangible personal property or services to a museum that operates as part of an organization which is exempt from taxation pursuant 26 U.S.C., § 501(c)(3) and is not accredited by the American Alliance of Museums. To qualify the described entities must operate on an annual budget of less than One Million Dollars (1,000,000.00) and maintain a staff of less than five full-time equivalent employees.

Information for FY 19 received from the Oklahoma Museum Association (OMA), indicates approximately 138 non-profit museums with combined estimated annual state sales tax expenditures of \$241,407 could qualify for the proposed sales tax exemption.

The measure proposes an effective date of November 1, 2021. Application of inflation rate adjustments of 1.2%¹ results in an estimated decrease in state sales tax collections of \$145,951 for FY 22² and \$253,204 for FY 23 (again applying a 1.2% inflation rate adjustment).

¹ Based on latest version of the Consumer Price Index-All Urban Consumers

² Includes seven months of sales tax collections.

Prepared By: Mark Tygret

Other Considerations

None.

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