

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: April 27, 2021

BILL NUMBER: SB 909

STATUS AND DATE OF BILL: Engrossed House Amendment to Engrossed Senate Bill [4/22/2021]

AUTHORS: House Caldwell (Trey) et al. Senate Pugh

TAX TYPE (S): Sales **SUBJECT:** Exemption

PROPOSAL: Amendatory

The measure proposes to amend 68 O.S. § 1356 by exempting from the sales tax levy effective 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).

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 22: \$146,000 decrease in state sales tax revenues.

FY 23: \$253,000 decrease in state sales tax revenues.

April 27, 2021
DATE

Rick Miller
DIVISION DIRECTOR

bjs

4/27/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

7/20/21
DATE

JDN
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.

ATTACHMENT TO REVENUE IMPACT - SB 909 – [HASB] – Prepared April 27, 2021

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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.