

**Fiscal Impact**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

**Bill No.:**  
**Version:**  
**Author:**  
**Date:**

**SB 1595**  
**INT**  
**Sen. Treat**  
**02/20/2020**

**OKLAHOMA TAX COMMISSION**

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT  
SECOND REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** February 20, 2020

**BILL NUMBER:** SB 1595 **STATUS AND DATE OF BILL:** Introduced 1/16/2020

**AUTHORS:** House n/a Senate Treat

**TAX TYPE (S):** Sales Tax **SUBJECT:** Administration

**PROPOSAL:**

The measure proposes amendment to Section 1364 of Title 68 by changing the time period that a sales tax permit is effective from three years to one year.

**EFFECTIVE DATE:** July 1, 2020

**REVENUE IMPACT:**

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

FY 21: None  
FY 22: \$634,000 increase in estimated sales tax permit fee revenues  
FY 23: \$1,268,000 increase in estimated sales tax permit fee revenues

**ADMINISTRATIVE IMPACT:**

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 21: [See attached]

Feb. 21, 2020      Rick Miller      msm  
DATE                      DIVISION DIRECTOR

2/21/2020      Huan Gong  
DATE                      HUAN GONG, ECONOMIST

2/21/2020      [Signature]  
DATE                      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 1595 - [Introduced] - Prepared 02/20/2020**

The measure proposes amendment to Section 1364 of Title 68 by changing the time period that a sales tax permit is effective from three years to one year.

The measure is silent regarding vendors currently possessing a three year sales tax permit. It is assumed for purposes of the impact that these vendors will be issued an annual permit upon payment of applicable fees after the expiration date of their current three year permit. The permit fee of \$20 with an additional \$10 per location fee remains unchanged. Based upon Oklahoma Tax Commission records, a total of \$1,902,082 in sales tax permit fees were paid from FY 17 through FY 19. The measure will not result in any increase of permit revenues for FY 21, since one third should be expiring. The following year would require two-thirds to renew resulting in an estimated increase of \$634,027 in permit fee revenues for FY 22, and an estimated increase of \$1,268,054 in permit fee revenues for FY 23.

**Administrative Costs and Concerns:**

Six new FTEs will be required for the OTC to process the increased number of permit renewals per year resulting in an estimated increase of \$204,000 in administrative cost for FY 21. Additional administrative costs to be incurred by the OTC are also anticipated related to programming and system modifications necessitated by this proposal. Further, the OTC will require an additional year from the current effective date of the measure in which to effectuate the outlined changes.

The measure does not address retail tobacco, cigarette or other licenses that are issued for a three year period effective concurrently with the sales tax permit.