

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2476</b>
<b>Version:</b>	<b>FULLPCS3</b>
<b>Request Number:</b>	<b>7634</b>
<b>Author:</b>	<b>Rep. S. Roberts</b>
<b>Date:</b>	<b>2/24/2021</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Sales Tax Decrease:**  
**FY-22: (\$65,999)**  
**FY-23: (\$998,999)**

**Administrative Costs:**  
**Unknown at Present**

**Research Analysis**

The third proposed committee substitute to HB 2476 exempts from sales tax any transfer of a motor vehicle to a person who is a resident of Oklahoma, has been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard, and has been certified by the United State Department of Veterans Affairs to have a permanent, 100-percent disability sustained through military action or resulting from disease contracted while in active service. This exemption cannot be claimed by an individual for more than one vehicle in a consecutive three-year period, unless the vehicle is a replacement for a vehicle that was destroyed and declared by the insurer to be a total loss claim. This exemption is not to be counted against the sales tax exemption cap.

The measure directs the Oklahoma Tax Commission to issue a refund to the buyer of excise tax collected by a dealer from any person who qualifies for this exemption. If the vehicle was purchased with a loan, the refund shall be issued to the lienholder, who shall deduct the refund amount from the balance due on the loan.

Prepared By: Emily McPherson

**Fiscal Analysis**

Review provided by the Tax Commission:

This is in response to your request for a revenue impact for HB 2476 [Proposed Committee Substitute (3)] which proposes a new section of law to be cited as Section 2105.1 of Title 68 to exclude the sales price of a purchased vehicle from the \$25,000 sales allowance for the sales tax exemption afforded qualifying 100% disabled veterans and also limits application of the referenced sales tax exemption to one vehicle in a consecutive three year period<sup>1</sup>.

For FY 20, Oklahoma Tax Commission records indicate a total of \$998,999 in sales taxes on which a 100% disabled veteran exemption was claimed for motor vehicles. Assuming similar transactions in FY 21, \$998,999 decrease in state sales tax revenues is estimated to occur. The measure proposes an effective date of November 1, 2020, resulting in an estimated decrease in motor vehicle sales tax collections of \$65,999 for FY 22<sup>2</sup> and \$998,999 for FY 23.

Administrative cost:

Since the measure is to be administered as a refund, the Oklahoma Tax Commission anticipates an increase in FTEs. However, the administrative costs are unknown at this time.

Prepared By: Mark Tygret

**Other Considerations**

None.

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