

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 25, 2022

BILL NUMBER: SB 1302 **STATUS AND DATE OF BILL:** Introduced 1/17/2022

AUTHORS: House NA Senate Rader

TAX TYPE (S): MMJ Gross Receipts Tax **SUBJECT:** Administrative

PROPOSAL: Amendatory

SB 1302 proposes to amend 68 O.S. §253, which relates to personal liability for sales tax, mixed beverage gross receipts tax, withheld income tax or motor fuel tax. An individual is personally liable for sales tax, mixed beverage gross receipts tax, withheld income tax or motor fuel tax if the individual is responsible for withholding or collecting and remitting such tax, or if the individual has direct control, supervision or responsibility for filing returns and making payments for such tax. This proposal adds personal liability for medical marijuana gross receipts tax.

EFFECTIVE DATE: November 1, 2022

REVENUE IMPACT:

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

FY 23: Estimated increase in collections of \$933,000 for amounts related to warrants for outstanding medical marijuana gross receipts tax for businesses.

Jan 25, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bdf

1/26/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

1/31/2022
DATE

[Signature]
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 1302 [Introduced] Prepared 1/25/2022

SB 1302 proposes to amend 68 O.S. §253 which relates to personal liability for sales tax, mixed beverage gross receipts tax, withheld income tax or motor fuel tax. An individual is personally liable for sales tax, mixed beverage gross receipts tax, withheld income tax or motor fuel tax if the individual is responsible for withholding or collecting and remitting such tax, or if the individual has direct control, supervision or responsibility for filing returns and making payments for such tax. This measure adds personal liability for medical marijuana gross receipts tax.

Currently, medical marijuana establishments organized as sole proprietors may be assessed personally for outstanding medical marijuana gross receipts tax. Individual officers of corporations or members of limited liability companies owing medical marijuana gross receipts tax cannot. Under the measure, as is presently the case with sole proprietors, corporate officers, members of limited liability companies and other persons responsible for the collection of the tax or having direct control, supervision or responsibility for filing returns and making the tax payments would be held individually liable for any outstanding tax amounts. As of January 24, 2022, the payoff amount for warrants related to outstanding medical marijuana gross receipts tax for businesses was approximately \$933,000.

This proposal is expected to encourage voluntary compliance with existing law and provide an additional mechanism to collect taxes due the State of Oklahoma. Assuming similar delinquency estimates for FY 23, the OTC may expect an estimated increase in collections of \$933,000 for amounts related to warrants for outstanding medical marijuana gross receipts tax for businesses.