

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 9, 2021

BILL NUMBER: SB 356 **STATUS AND DATE OF BILL:** Engrossed 03/08/2021

AUTHORS: House Boles Senate Paxton

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

PROPOSAL: Amendatory

The measure proposes to amend Section 1360(1) of Title 68 to exempt from the sales tax levy, sales or transfers of tangible personal property between wholly owned subsidiaries of a parent company and between a parent company and its wholly owned subsidiary.

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: Unknown minimal decrease in state sales tax revenues

FY 23: Unknown minimal decrease in state sales tax revenues

Mar. 9, 2021
DATE

Rick Miller
DIVISION DIRECTOR

msm

3/9/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/9/21
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 356 – [Engrossed] – Prepared 3/09/2021

The measure proposes to amend Section 1360(1) of Title 68 to exempt from the sales tax levy, sales or transfers of tangible personal property between wholly owned subsidiaries of a parent company and between a parent company and its wholly owned subsidiary.

Sales and use taxes are not reported in such a way to identify if or how often the described transactions may have occurred or whether tax was remitted thereon. Extensive research of audit and other Tax Commission files have not located any proposed assessments and/or tax payments related to the transactions exempted by this proposal. Therefore, it is estimated that the measure will result in a minimal decrease in state sales tax revenues for FY 22 and FY 23.