

**OKLAHOMA TAX COMMISSION**

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

**DATE OF IMPACT STATEMENT:** January 14, 2021

**BILL NUMBER:** SB 356 **STATUS AND DATE OF BILL:** Introduced 1/11/2021

**AUTHORS:** House n/a 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

Jan. 15, 2021  
DATE

Rick Miller  
DIVISION DIRECTOR

msm

1/19/2021  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

1/25/21  
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 – [Introduced] – Prepared 1/14/2021**

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.