

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: December 27, 2023

BILL NUMBER: SB 1507 **STATUS AND DATE OF BILL:** Introduced 12/18/23

AUTHORS: House: NA Senate: Jett

TAX TYPE(S): Income Tax and Other **SUBJECT:** Deduction and Other

PROPOSAL: Amendatory

SB 1507 proposes to amend 62 O.S. § 4500, providing that the purchase, sale, or exchange of any type or form of specie, including legal tender, will not give rise to any tax liability in Oklahoma, and that specie or legal tender will not be characterized as personal property for taxation or regulatory purpose.

SB 1507 also proposes to amend 68 O.S. § 2358 to expand the definition of “qualifying gains receiving capital treatment” to include net capital gains that result from the sale or exchange of gold and silver for tax year 2025 and subsequent tax years. Qualifying gains receiving capital treatment that are included in the federal taxable income of an individual, corporation, trust or estate may be deducted from Oklahoma taxable income.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:

Dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation:

FY 25: None.

FY 26: Unknown decrease in income tax revenue.

12/28/23

DATE

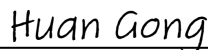


MARIE SCHUBLE, DIVISION DIRECTOR

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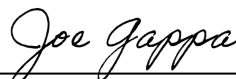
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HUAN GONG, ECONOMIST

1/2/2024

DATE



JOE GAPPA, 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.

CURRENT LAW:

Under 62 O.S. § 4500, gold and silver coins issued by the United States government are legal tender in the State of Oklahoma, and no person may compel another person to tender or accept gold or silver coins that are issued by the United States government, except as agreed upon by contract.

Various adjustments to arrive at Oklahoma taxable income and Oklahoma adjusted gross income are authorized pursuant to 68 O.S. § 2358.

PROPOSED AMENDMENTS:

SB 1507 proposes to amend 62 O.S. § 4500, providing that the purchase, sale, or exchange of any type or form of specie,¹ including legal tender,² will not give rise to any tax liability in Oklahoma, and that specie or legal tender will not be characterized as personal property for taxation or regulatory purpose. Furthermore, the State Treasurer, in consultation with state agencies that the Treasurer deems applicable, must develop a plan to store a minimum of 10% of Oklahoma’s fund balances in the form of gold and silver legal tender and for taxpayers to pay ad valorem taxes in the form of gold and silver legal tender.

SB 1507 also proposes to amend 68 O.S. § 2358 to expand the definition of “qualifying gains receiving capital treatment” to include net capital gains that result from the sale or exchange of gold and silver for tax year 2025 and subsequent tax years. Qualifying gains receiving capital treatment that are included in the federal taxable income of an individual, corporation, trust or estate may be deducted from Oklahoma taxable income.

ANTICIPATED IMPACT:

Data is not available to determine the volume of sales or exchanges of gold and silver in Oklahoma. Due to this scarcity of data, the expected revenue impact of this proposal is an unknown decrease in income tax revenue, beginning for FY 26 when the 2025 returns are filed.

¹ “Specie” means gold or silver bullion in the form of coins, bars, or rounds that are coined, stamped, or imprinted with its weight and purity with value based on metal content and not on its form.

² “Legal tender” means a recognized medium of exchange for the payment of public and private debts and taxes.