

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 11, 2023 [REVISED]

BILL NUMBER: SB 382 **STATUS AND DATE OF BILL:** Introduced 01/16/2023

AUTHORS: House: n/a Senate: Garvin

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

PROPOSAL: Amendatory

The measure proposes to amend 68 O.S. § 1357 by exempting from the sales tax levy, sales of feminine hygiene products to an organization which is exempt from taxation pursuant to Internal Revenue Code, 26 U.S.C., § 501(c)(3), and whose primary and principal purpose is to provide feminine hygiene products free of charge directly to individuals in need thereof and to organizations for distribution to those in need of such products. For the purposes of this paragraph, "feminine hygiene products" means tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle.

EFFECTIVE DATE: November 1, 2023

REVENUE IMPACT:

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

FY 24: Minimal

FY 25: Minimal

Feb. 11, 2023
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2/13/2023
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/13/2023
DATE

Joseph P 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.

**ATTACHMENT TO REVENUE IMPACT - SB0382 [Introduced] Prepared 2/11/2023
[REVISED]**

The measure proposes to amend 68 O.S. § 1357 by exempting from the sales tax levy, sales of feminine hygiene products to an organization which is exempt from taxation pursuant to Internal Revenue Code, 26 U.S.C., § 501(c)(3), and whose primary and principal purpose is to provide feminine hygiene products free of charge directly to individuals in need thereof and to organizations for distribution to those in need of such products. For the purposes of this paragraph, "feminine hygiene products" means tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle.

Currently, there is one known organization which could qualify for the proposed sales tax exemption. Information obtained from the Organization indicates total taxable expenditures in the amount of \$8,922 for FY 22. Applying the state sales tax rate of 4.5% yields a decrease in state sales tax collections of \$401. The measure proposes an effective date of November 1, 2023. Assuming similar taxable expenditure for FY 24 and FY 25 as those incurred in FY 22 in addition to application of inflation rate adjustments¹ results in an estimated decrease in state sales tax collections of \$249 for FY 24² and \$435 for FY 25.

¹ IHS Markit/US Forecast Flash, January 3, 2023 [3.9% for FY 23, 2.2% for FY 24 and 2.0% for FY 25].

² Includes seven months of sales tax collections