

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1854
Version:	Introduced
Request Number:	10119
Author:	Rep. Schreiber
Date:	2/13/2025
Impact:	Unknown decrease in revenue

Research Analysis

HB1854, as introduced, adds two sales tax exemptions to the list of exempt nonprofits.

The first exemption is for an organization that provides school supplies and clothing to public school students. The exemption would include sales to or by the eligible organization including sales of materials, supplies and equipment used in the construction or improvement of buildings owned by the organization.

The second exemption is for sales to or by a nonprofit organization that provides support to municipal law enforcement officers.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB1854 proposes a sales tax exemption for certain nonprofit organizations.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY26: Unknown decrease in state sales tax collections.

FY27: Unknown decrease in state sales tax collections.

ANALYSIS: HB 1854 proposes amendments to Section 1356 of Title 68 by exempting certain sales of tangible personal property or services to eligible nonprofit organizations.

Presently, one organization has been identified which could qualify for the proposed sales tax exemption whose principal purpose is to provide school supplies or articles of clothing for underserved students attending at public schools in this state. The proposed exemption includes certain construction costs. In FY24, it paid an estimated \$3,000 in state sales tax. Assuming similar taxable expenditures for FY26 and FY27, results in a **minimal decrease** in state sales tax collections. Should other qualifying entities be identified, the impact could increase.

HB 1854 also provides an exemption for organizations supporting municipal law enforcement officers. The potential decrease in sales tax collections from these organizations is currently **unknown**, as no data are available on the number of entities that would qualify for the related sales tax expenditures.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.

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