BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	**HB 2296**
Version:	**INT**
Request Number:	**7075**
Author:	**Rep. Trey Caldwell**
Date:	**2/10/2019**
Impact:	**Tax Commission:** **Revenue Decrease** **FY-20: $526,931** **FY-21: $790,397**

Research Analysis

HB2296, as introduced, excludes any amount, for which a vehicle is purchased by a 100% percent disabled veteran receiving the sales tax exemption, from counting towards the annual $25,000 limit on exempt sales.

Motor vehicle are assessed a 1.25% sales tax. The exclusion is limited to one vehicle purchase every three years unless the vehicle is a replacement for a vehicle that was destroyed and declared by the insurer to be total loss.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

For the preceding twelve month period – November 1, 2017 through October 31, 2018 - Oklahoma Tax Commission records indicate a combined vehicle purchase price of $112,161,183 on which a 100% disabled veteran exemption was claimed. During the stated period, sales taxes in the amount of $790,397 were paid on these purchases. Assuming similar transactions as those experienced in the referenced twelve month period, a $790,000 decrease in state sales tax revenues is estimated to occur. The measure proposes an effective date of November 1, 2019, resulting in an estimated decrease in motor vehicle sales tax collections of $526,931 FY 20[1] and $790,397 for FY 21.

1 Includes eight months of motor vehicle sales tax collections.

Prepared By: Mark Tygret

Other Considerations

None.

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