

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1595</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Mr. Speaker</b>
<b>Date:</b>	<b>5/14/2020</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Potential Unknown Increase in Sales tax Collections**

**Administrative Cost of \$100,000**

**Research Analysis**

Engrossed SB1595 creates procedures and an application process for the issuance of a Sale for Resale permit by the Oklahoma Tax Commission. Every sales tax permit holder that desires to make purchases for resale will be required to obtain the annual Sale for Resale permit if they meet the classification as a group 1 through 4 vendor. In order to qualify for the sales tax exemption for resale goods, the purchaser will be required show a vendor a valid permit effective July 1, 2021.

Prepared By: Quyen Do

**Fiscal Analysis**

From the Tax Commission:

The measure requires all group One through Four vendors to apply for and obtain an annual “resale permit”<sup>4</sup> in order to claim a sale for resale exemption. The measure also allows for an appeal process for a denied application and sets fines for anyone claiming a sale for resale without a permit(s) or after a permit has been suspended<sup>5</sup>.

The measure requires vendors to use a system upon development by the OTC for the purpose of exchanging information with sellers regarding sale for resale permit numbers of purchasers who are seeking to make purchases for resale. It also requires the OTC to provide sellers, free of charge, verification of whether those resale permit numbers are valid. The OTC must also provide the seller a transaction code authorizing the seller to sell items purchased for resale to purchasers who hold a valid sale for resale permit. Additionally, it authorizes the OTC to release information contained in the Master Sales and Use Tax File to vendors for the purpose of determining the validity of sale for resale permits<sup>6</sup>.

Fiscal Impact.

The measure will have a potential unknown increase in state sales tax revenues for FY 22.

Administrative Costs:

The measure will result in an increase of \$100,000 in administrative costs for new personnel, equipment, supplies, and system programing along with a minimum of 5-6 months in order to implement this measure.

Prepared By: Mark Tygret

**Other Considerations**

None.

© 2020 Oklahoma House of Representatives, see Copyright Notice at [www.okhouse.gov](http://www.okhouse.gov)