

**Fiscal Impact**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

**Bill No.:**  
**Version:**  
**Author:**  
**Date:**

**HB 2294**  
**ENGR**  
**Sen. Jech**  
**03/25/2019**

**Fiscal Analysis**

**OKLAHOMA TAX COMMISSION**

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

**DATE OF IMPACT STATEMENT:** March 25, 2019

**BILL NUMBER:** HB 2294 **STATUS AND DATE OF BILL:** Engrossed 03/07/2019

**AUTHORS:** House Wright Senate Jech

**TAX TYPE (S):** Sales Tax **SUBJECT:** Other

**PROPOSAL:** Amendatory

The measure proposes to compensate vendors for record maintenance and the timely remittance of sales tax by allowing vendors to retain three percent<sup>1</sup> of the monthly sales tax due. The 3% vendor discount/remuneration is to be in effect until July 1, 2020. There is no corresponding remuneration/discount allowed use tax vendors under this proposal.

**EFFECTIVE DATE:** Emergency – July 1, 2019

**REVENUE IMPACT:**

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

FY 20: \$32,798,000 decrease in state sales tax revenues.

**ADMINISTRATIVE IMPACT:**

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 20: Unknown

<u>Mar. 25, 2019</u> DATE	<u>Rick Miller</u> DIVISION DIRECTOR	msm
<u>3-25-2019</u> DATE	<u>Huan Gong</u> HUAN GONG, ECONOMIST	
<u>3-25-19</u> DATE	<u>Jim Murt</u> FOR THE COMMISSION	

*\*The estimated 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.*

<sup>1</sup> Capped at \$2,500 per month per tax permit.

**ATTACHMENT TO REVENUE IMPACT – HB 2294 – [Engrossed] – Prepared March 25, 2019**

The measure proposes to compensate vendors for record maintenance and the timely remittance of sales tax allows vendors to retain three percent<sup>2</sup> of the monthly sales tax due. The 3% vendor discount/remuneration is to be in effect until July 1, 2020. There is no corresponding remuneration/discount allowed use tax vendors under this proposal.

Based on Oklahoma Tax Commission sales tax remittance records for FY 18, allowing a vendor discount in the manner prescribed will result in an estimated decrease of \$32,798,000 in state sales tax collections for FY 20.

**Administrative Cost:**

Depending on this proposal's enactment date, the necessary programming changes and related testing may not be accomplished by the effective date of the measure. The modification to the sales and use tax remittance system necessary to reinstate the vendor discount under the parameters provided herein will require a minimum of sixty days to fully implement.

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<sup>2</sup> Capped at \$2,500 per month per tax permit.