

**BILL SUMMARY**  
1<sup>st</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2027</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>7467</b>
<b>Author:</b>	<b>Wolfley</b>
<b>Date:</b>	<b>2/28/2023</b>
<b>Impact:</b>	<b>OTC Analysis:</b>
	<b>FY24: \$1,279,000 revenue decrease</b>

**Research Analysis**

The proposed committee substitute for HB2027 establishes a sale tax exemption for hearing aid purchases. The taxpayer is required to file a claim with the Oklahoma Tax Commission within 1 year of the purchase date and the commission will refund the state sales tax portion to the taxpayer.

Prepared By: Quyen Do

**Fiscal Analysis**

In its current form, HB2027 proposes to create a sales tax exemption for hearing aid purchases. This measure is expected to result in a \$1,279,000 decrease in states sales tax collections.

Provided by the Oklahoma Tax Commission:

**Based on OTC sales tax reporting and remittance data, state sales tax collections of \$1,204,229 are attributable to the sales of hearing aids for FY 22. Assuming similar taxable sales of hearing aids for FY 24 as those incurred in FY 22 along with application of inflation rate adjustments<sup>1</sup> results in an estimated decrease in state sales tax collections of \$1,278,720 for FY 24.**

Prepared By: Zachary Penrod, House Fiscal Staff

**Other Considerations**

None.