

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1081

BY: GRIESER, LEIST, WIDENER,
BOECKMAN, CROCKER, SMITH
(Bill) and MITCHELL of the
HOUSE

and

CAPPS and TALIAFERRO of
the SENATE

COMMITTEE SUBSTITUTE

(REVENUE AND TAXATION - 68 O.S., SECTION 2805 -
TAX IN LIEU OF AD VALOREM TAX - INVENTORIES -
TAX STAMPS - CODIFICATION -

EFFECTIVE DATE)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 5401 of Title 68, unless there
is created a duplication in numbering, reads as follows:

A. A tax is hereby imposed, in lieu of the ad valorem tax on
certain parts of the inventories, both new and used items, owned
and/or possessed for sale or lease by retailers of farm tractors and
other equipment as defined by subsection C of this section.

B. Items to be taxed in lieu of ad valorem pursuant to the
provisions of this section are those with a list price of Five
Hundred Dollars (\$500.00) or higher. The tax shall be paid by the
dealer on such items in lieu of the annual ad valorem tax assessment
of dealer's average inventory but shall not relieve any other
property of the dealer from ad valorem taxation. Each dealer shall

maintain a sales log for applicable items pursuant to this section with a serial number where applicable. The log shall be subject to inspection by county assessors.

C. For purposes of this act, a retailer of farm tractors and other equipment is any person having a franchise for selling and retailing farm tractors, farm implements, and the attachments or repair parts thereto.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5402 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. The in-lieu tax imposed in Section 1 of this act shall apply on the date of sale or lease and shall be evidenced by a tax stamp. The tax stamp shall be based on the following sales totals:

1. Beginning with sales of Five Hundred Dollars (\$500.00) to One Thousand Nine Hundred Ninety-nine Dollars (\$1,999.00): \$6.00;

2. Two Thousand Dollars (\$2,000.00) to Nine Thousand Nine Hundred Ninety-nine Dollars (\$9,999.00): \$12.00;

3. Ten Thousand Dollars (\$10,000.00) to Nineteen Thousand Nine Hundred Ninety-nine Dollars (\$19,999.00): \$18.00;

4. Twenty Thousand Dollars (\$20,000.00) to Twenty-nine Thousand Nine Hundred Ninety-nine Dollars (\$29,999.00): \$24.00;

5. Thirty Thousand Dollars (\$30,000.00) to Thirty-nine Thousand Nine Hundred Ninety-nine Dollars (\$39,999.00): \$30.00;

6. Forty Thousand Dollars (\$40,000.00) to Forty-nine Thousand Nine Hundred Ninety-nine Dollars (\$49,999.00): \$36.00;

7. Fifty Thousand Dollars (\$50,000.00) to Fifty-nine Thousand Nine Hundred Ninety-nine Dollars (\$59,999.00): \$42.00;

8. Sixty Thousand Dollars (\$60,000.00) to Sixty-nine Thousand Nine Hundred Ninety-nine Dollars (\$69,999.00): \$48.00;

9. Seventy Thousand Dollars (\$70,000.00) to Seventy-nine Thousand Nine Hundred Ninety-nine Dollars (\$79,999.00): \$54.00;

10. Eighty Thousand Dollars (\$80,000.00) to Eighty-nine Thousand Nine Hundred Ninety-nine Dollars (\$89,999.00): \$60.00; and

11. Ninety Thousand Dollars (\$90,000.00) and above: \$96.00.

B. The appropriate tax stamp or stamps shall be affixed by the dealer to the dealer's copy of the sales invoice covering new or used farm implements sold before transferring ownership to any new or used farm implement.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5403 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. The tax stamp or stamps required by Section 2 of this act to be affixed upon the dealer's copy of the sales invoice covering new or used farm implements sold shall be manufactured or purchased by the Oklahoma Tax Commission in the required amounts. Said tax stamps shall be of such design, color combination and material as the Tax Commission shall deem necessary for the administration of this tax and to afford the best security to the tax revenue involved.

B. The Commission may require any manufacturer of such tax stamps to furnish a bond in such amount as it deems necessary to protect the state and local taxing entities against loss.

C. The Tax Commission shall distribute such tax stamps to the county treasurer of each county, taking such receipt therefor as may be necessary. The county treasurer shall have the responsibility of the custody and the sale of the stamps to the person required by Section 2 of this act to obtain such stamps. In addition, the county treasurer shall have the duty of accounting for said stamps to their respective counties, and to the Oklahoma Tax Commission as it may require.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5404 of Title 68, unless there is created a duplication in numbering, reads as follows:

The county treasurer shall apportion each month all collections from the sale of tax stamps pursuant to Section 2 of this act as follows:

1. Two percent (2%) shall be deposited to the credit of the General Revenue Fund of the State Treasury; and
2. Forty-nine percent (49%) shall be apportioned to the schools of the county on an average daily attendance basis; and
3. Forty-nine percent (49%) shall be apportioned to the general fund of the county.

Funds received by taxing jurisdictions from this source shall be utilized as if the said funds had in fact been generated by ad valorem taxes, including servicing of debt by sinking funds. On and after January 1, 1993, and at the end of each fiscal year thereafter, the treasurer shall furnish a report to the county assessor, which shall show the total amount of in-lieu taxes authorized by this act and apportioned during the fiscal year to those taxing jurisdictions authorized to receive revenue from such in-lieu taxes. The assessor shall calculate annually the amount of assessed valuation that otherwise would be displaced by such in-lieu tax, by dividing the total amount of revenue derived from such tax apportioned to each taxing jurisdiction by the actual millage rate levied by each taxing jurisdiction during the fiscal year. The assessor shall add the result of that calculation to the actual assessed valuation of each taxing jurisdiction to determine the new adjusted assessed valuation of each taxing jurisdiction, and said adjusted assessed valuation shall be used for all purposes, including the determination of debt limits, in the following fiscal year whenever the term "assessed valuation" is required to be used.

SECTION 5. AMENDATORY Section 5, Chapter 162, O.S.L. 1988, as last amended by Section 13 of Enrolled Senate Bill No. 1 of the 1st Extraordinary Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 2805. The following fees or taxes levied by the provisions of the Oklahoma Statutes shall be in lieu of ad valorem tax, whether in lieu of real property tax, personal property tax, or both as provided by law:

1. The registration fees and taxes imposed upon aircraft by Section 251 et seq. of Title 3 of the Oklahoma Statutes;

2. Registration fees for motor vehicles as provided in Section 1103 of Title 47 of the Oklahoma Statutes, except as otherwise specifically provided;

3. The fee imposed upon transfers of used vehicles in lieu of the ad valorem tax upon inventories of used motor vehicles by Section 1137.1 of Title 47 of the Oklahoma Statutes;

4. The registration and license fees imposed upon vessels and motors pursuant to the Oklahoma Vessel and Motor Registration Act, Section 4001 et seq. of Title 63 of the Oklahoma Statutes;

5. The taxes levied upon the gross production of substances pursuant to Section 1001 of this title;

6. The taxes levied upon the gross production of substances pursuant to Section 1020 of this title;

7. The tax imposed upon gross receipts pursuant to Section 1803 of this title;

8. The tax imposed upon certain textile products pursuant to Section 2001 of this title;

9. The tax imposed upon certain freight cars pursuant to Section 2202 of this title;

10. The tax imposed on certain parts of the inventories, both new and used items, owned and/or possessed for sale by retailers of farm tractors and other equipment pursuant to Sections 1 through 4 of this act;

11. The tax imposed upon inventories of new vehicles and certain vessels pursuant to Section 5301 of this title; and

~~11.~~ 12. Such other fees or taxes as may be expressly provided by law to be in lieu of ad valorem taxation.

SECTION 6. This act shall become effective January 1, 1992.

43-1-1023 CS