

ENROLLED SENATE  
BILL NO. 624

BY: CAPPS and MUEGGE of the  
SENATE

and

GRIESER, BOECKMAN, HOLT,  
MADDUX (Elmer) and MITCHELL  
of the HOUSE

AN ACT RELATING TO REVENUE AND TAXATION;  
AMENDING 68 O.S. 1991, SECTIONS 2805, 5401, 5402  
AND 5403, WHICH RELATE TO TAXES IN LIEU OF AD  
VALOREM; MODIFYING TYPES OF ITEMS UPON WHICH TAX  
IS IMPOSED; PROVIDING DEFINITIONS; MAKING  
CERTAIN EQUIPMENT SUBJECT TO TAX; MAKING CERTAIN  
EQUIPMENT EXEMPT FROM TAX; MAKING CERTAIN  
BUSINESS ENTITIES SUBJECT TO TAX ON CERTAIN  
DATE; ADDING MORE CATEGORIES OF FEES; CLARIFYING  
LANGUAGE; AND MAKING CERTAIN TAXES IN LIEU OF AD  
VALOREM TAX.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 5401, is  
amended to read as follows:

Section 5401. A. A tax is hereby imposed, in lieu of the ad  
valorem tax on certain ~~parts~~ items of the whole goods inventories,  
both new and used items, owned and/or possessed for sale or lease by  
retailers of farm tractors and other equipment or of heavy highway  
or construction 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~~ items of inventory of  
whole goods agricultural equipment or of whole goods heavy highway  
or construction equipment and whole goods attachments thereto  
received from suppliers of agricultural equipment or of heavy  
highway or construction equipment, if said items have a retail list  
price of Five Hundred Dollars (\$500.00) or higher but not including  
repair or replacement parts. 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. Such equipment sold by consignment  
or by auctions where the selling agent does not take title to the  
equipment shall continue to be subject to ad valorem taxation.  
Sales of covered whole goods items between dealers shall be  
considered wholesale transactions and shall not be subject to the  
tax imposed by this section until sold at retail.

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

Beginning January 1, 1993, those business entities which do not have a franchise or dealer agreement for retailing farm equipment or heavy highway or construction equipment, but which from time to time publicly buy and sell such farm equipment or heavy highway or construction equipment shall also be subject to the provisions of this section, and the tax imposed by this section shall apply to the same items and under the same conditions as apply to franchised dealers.

D. As used in this section:

1. "Whole goods agricultural equipment" or "whole goods heavy highway or construction equipment" means any machine capable of performing agricultural operations or heavy highway or construction operations either with power from its own engine, or when drawn or otherwise moved by another whole goods unit; and

2. "Whole goods attachments" means those complete attachments which, when fitted to, drawn or otherwise moved by other equipment, perform specialized agricultural operations or heavy highway or construction operations. For whole goods agricultural equipment such attachments include, but shall not be limited to, combine headers, mowers, swathers, shredders and cultivation and haying equipment.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 5402, is amended to read as follows:

Section 5402. A. The in-lieu tax imposed in Section ~~4~~ 5401 of this ~~act~~ title 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~~ actual sales price without reduction for any trade-in:

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): \$36.00;
6. Forty Thousand Dollars (\$40,000.00) to Forty-nine Thousand Nine Hundred Ninety-nine Dollars (\$49,999.00): \$48.00;
7. Fifty Thousand Dollars (\$50,000.00) to Fifty-nine Thousand Nine Hundred Ninety-nine Dollars (\$59,999.00): \$60.00;
8. Sixty Thousand Dollars (\$60,000.00) to Sixty-nine Thousand Nine Hundred Ninety-nine Dollars (\$69,999.00): \$72.00;
9. Seventy Thousand Dollars (\$70,000.00) to Seventy-nine Thousand Nine Hundred Ninety-nine Dollars (\$79,999.00): \$84.00;
10. Eighty Thousand Dollars (\$80,000.00) to Eighty-nine Thousand Nine Hundred Ninety-nine Dollars (\$89,999.00): \$96.00; ~~and~~
11. Ninety Thousand Dollars (\$90,000.00) and above to Ninety-nine Thousand Nine Hundred Ninety-nine Dollars (\$99,999.00): \$108.00;
12. One Hundred Thousand Dollars (\$100,000.00) to One Hundred Nine Thousand Nine Hundred Ninety-nine Dollars (\$109,999.00): \$120.00;
13. One Hundred Ten Thousand Dollars (\$110,000.00) to One Hundred Nineteen Thousand Nine Hundred Ninety-nine Dollars (\$119,999.00): \$132.00;
14. One Hundred Twenty Thousand Dollars (\$120,000.00) to One Hundred Twenty-nine Thousand Nine Hundred Ninety-nine Dollars (\$129,999.00): \$144.00;

15. One Hundred Thirty Thousand Dollars (\$130,000.00) to One Hundred Thirty-nine Thousand Nine Hundred Ninety-nine Dollars (\$139,999.00): \$156.00;

16. One Hundred Forty Thousand Dollars (\$140,000.00) to One Hundred Forty-nine Thousand Nine Hundred Ninety-nine Dollars (\$149,999.00): \$168.00; and

17. One Hundred Fifty Thousand Dollars (\$150,000.00) and above: \$180.00.

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~~ whole goods agricultural equipment or whole goods heavy highway or construction equipment and whole goods attachments thereto sold before transferring ownership to any new or used farm implement or heavy highway or construction equipment.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 5403, is amended to read as follows:

Section 5403. A. The tax stamp or stamps required by Section ~~2~~ 5402 of this ~~act~~ title to be affixed upon the dealer's copy of the sales invoice covering each new or used ~~farm implement~~ whole goods agricultural equipment or whole goods heavy highway or construction equipment or whole goods attachments thereto 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 and value in multiples of Six Dollars (\$6.00) as the Tax Commission shall deem necessary for the administration of this tax and to afford the best security to the tax revenue involved. Said stamps shall be purchased by dealers in the county where the business is located.

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~~ 5402 of this ~~act~~ title 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. AMENDATORY 68 O.S. 1991, Section 2805, 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~~ items of the whole goods inventories, both new and used items, owned and/or possessed for sale by retailers of farm tractors and other equipment or of heavy highway or construction equipment pursuant to Sections ~~±~~ 5401 through 4 5404 of this ~~act~~ title;

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

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

Passed the Senate the 27th day of April, 1992.

President of the Senate

Passed the House of Representatives the 13th day of April, 1992.

Speaker of the House of Representatives