

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

SENATE BILL NO. 173

BY: STIPE

AS INTRODUCED

AN ACT RELATING TO MOTOR VEHICLES AND REVENUE AND TAXATION; AMENDING 68 O.S. 1981, SECTION 2105, AS LAST AMENDED BY SECTION 6, CHAPTER 290, O.S.L. 1989 (68 O.S. SUPP. 1990, SECTION 2105), WHICH RELATES TO MOTOR VEHICLE EXCISE TAXES; MODIFYING TIME PERIOD FOR WHICH VEHICLE MAY BE RENTED WITHOUT PAYMENT OF EXCISE TAX; MODIFYING TIME PERIOD UPON WHICH MOTOR VEHICLE EXCISE TAX BECOMES DUE AND PAYABLE UNDER CERTAIN CIRCUMSTANCES; ALLOWING OKLAHOMA TAX COMMISSION TO ENTER INTO CERTAIN AGREEMENTS FOR CERTAIN VEHICLES; SPECIFYING FEE FOR REGISTRATION OF RENTAL MOTOR VEHICLE; ALLOWING CERTAIN CREDIT AND PROVIDING FOR DETERMINATION THEREOF; SPECIFYING TERM OF REGISTRATION; ALLOWING TRANSFER OF LICENSE PLATE; AND REQUIRING COMMISSION TO PROMULGATE CERTAIN RULES AND REGULATIONS; PROVIDING FOR CODIFICATION.

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

SECTION 1. AMENDATORY 68 O.S. 1981, Section 2105, as last amended by Section 6, Chapter 290, O.S.L. 1989 (68 O.S. Supp. 1990, Section 2105), is amended to read as follows:

Section 2105. An original or a transfer certificate of title shall be issued without the payment of the excise tax levied by Section 2101 et seq. of this title for:

(a) Any vehicle owned by a nonresident person who operates principally in some other state but who is in Oklahoma only occasionally;

(b) Any vehicle brought into this state by a person formerly living in another state, who has owned and registered said vehicle in such other state of his residence at least sixty (60) days prior to the time it is required to be registered in this state;

(c) Any vehicle registered by the State of Oklahoma, or by any of the political subdivisions thereof, or a vehicle which is the subject of a lease or lease-purchase agreement executed between the person seeking an original or transfer certificate of title for the vehicle and a county. The person seeking an original or transfer certificate of title shall provide adequate proof that the vehicle is subject to a lease or lease-purchase agreement with a county at the time the excise tax levied would otherwise be payable. The Oklahoma Tax Commission shall have the authority to determine what constitutes adequate proof as required by this section;

(d) Any vehicle, the legal ownership of which is obtained by the applicant for a certificate of title by inheritance;

(e) Any vehicle which is owned and being offered for sale by a person licensed as a dealer in used motor vehicles or parts, under the provisions of Section 1101 et seq. of Title 47 of the Oklahoma Statutes:

(1) If such vehicle has been registered in Oklahoma and the vehicle excise tax paid thereon; or

(2) When such vehicle has been registered in some other state but such vehicle is not the latest manufactured model.

Provided, the provisions of this subsection shall not be construed as allowing an exemption to any person not licensed as a used motor vehicle dealer or automotive dismantler and parts recycler in this state;

(f) Any vehicle which was purchased by a person licensed to sell new or used motor vehicles in another state:

(1) If such vehicle is not purchased for operation or resale in this state; and

(2) The state from which the dealer is licensed offers reciprocal privileges to a dealer licensed in this state, pursuant to a reciprocal agreement between the duly authorized agent of the Oklahoma Tax Commission and the licensing state;

(g) Any vehicle, the ownership of which was obtained by the lienholder or mortgagee under or by foreclosure of a lien or mortgage in the manner provided by law or to the insurer under subrogated rights arising by reason of loss under an insurance contract;

(h) Any vehicle which is taxed on an ad valorem basis;

(i) Any vehicle or motor vehicle, the legal ownership of which is obtained by transfers:

(1) From one corporation to another corporation pursuant to a reorganization. As used in this subsection the term "reorganization" means:

(a) A statutory merger or consolidation.

(b) The acquisition by a corporation of substantially all of the properties of another corporation when the consideration is solely all or a part of the voting stock of the acquiring corporation, or of its parent or subsidiary corporation.

(2) In connection with the winding up, dissolution or liquidation of a corporation only when there is a distribution in kind to the shareholders of the property of such corporation.

(3) To a corporation where the former owners of the vehicle or motor vehicle transferred are, immediately after the transfer, in control of the corporation, and the stock or securities received by each is substantially in proportion to his interest in the vehicle or motor vehicle prior to the transfer.

(4) To a partnership if the former owners of the vehicle or motor vehicle transferred are, immediately after the transfer, members of such partnership and the interest in the partnership received by each is substantially in proportion to his interest in the vehicle or motor vehicle prior to the transfer.

(5) From a partnership to the members thereof when made in the dissolution of such partnership;

(j) Any vehicle which is purchased by a person to be used by a business engaged in renting motor vehicles without a driver.

~~Provided, that this:~~

(1) The vehicle shall not be rented to the same person for a period exceeding ~~ninety (90)~~ one hundred twenty (120) days.  
~~Provided further, that any;~~

(2) Any such vehicle exempted from the excise tax by these provisions shall not be placed under any type of lease agreement.  
~~Provided that any;~~

(3) Any such vehicle exempted from the excise tax by this subsection which is later sold or title transferred prior to the expiration of ~~twelve (12)~~ four (4) months shall cause to become due and payable immediately from the seller the amount of excise tax which would have been due had this exemption not been granted plus a penalty of twenty percent (20%).  
~~Provided further that when; and~~

(4) When this exemption is claimed the Oklahoma Tax Commission shall issue a nontransferable title and shall not issue a

transferable title prior to the expiration of ~~twelve (12)~~ four (4) months or upon the payment of the excise tax plus penalty as provided herein. For all other tax purposes vehicles herein exempted shall be treated as though the excise tax has been paid;

(k) Any vehicle of the latest manufactured model, registered from a title in the name of the original manufacturer or assigned to the original manufacturer and issued by any state and transferred to a licensed, franchised Oklahoma motor vehicle dealer, as defined by Section 1102 of Title 47 of the Oklahoma Statutes, which holds a franchise of the same line-make as the vehicle being registered;

(l) Any new motor vehicle, registered in the name of a manufacturer or dealer of new motor vehicles, for which a license plate has been issued pursuant to Section 1116.1 of Title 47 of the Oklahoma Statutes, if such vehicle is authorized by the manufacturer or dealer for personal use by an individual. The authorization for such use shall not exceed four (4) months which shall not be renewed or the exemption provided by this subsection shall not be applicable. The exemption provided by this subsection shall not be applicable to a transfer of ownership or registration subsequent to the first registration of the vehicle by a manufacturer or dealer; or

(m) Any vehicle of the latest manufacturer model purchased by a franchised Oklahoma motor vehicle dealer which holds a franchise of the same line-make as the vehicle being registered.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1120.1 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Tax Commission may, when in the interest of the State of Oklahoma and its residents, enter into the International Registration Plan or other compacts or agreements with other states to permit motor vehicle registration and license taxes on any motor

vehicle to be used as a rental motor vehicle as defined in the International Registration Plan.

B. The Commission shall require that each rental motor vehicle be assessed the following fees:

1. A registration fee of Fifteen Dollars (\$15.00) shall be assessed at the time of initial registration and annually thereafter, for the use of the avenues of public access within this state; and

2. A fee, to be paid annually in lieu of all other taxes both general and local, of one-tenth of one percent (0.1%) of the factory delivered price (F.D.P). For this purpose the factory delivered price shall be rounded off to the nearest One Hundred Dollars (\$100.00).

C. There shall be a credit allowed with respect to the fee for registration of a new rental motor vehicle which is a replacement for a rental motor vehicle which is permanently withdrawn from the rental fleet. The credit shall be in the amount of the in lieu fee required by paragraph 2 of subsection B of this section reduced by one-twelfth (1/12) for each calendar month or fraction thereof elapsing since the beginning of the registration year for the original rental motor vehicle. If the factory delivered price of the replacement rental motor vehicle exceeds the factory delivered price of the original rental motor vehicle, then the in lieu fee required by paragraph 2 of subsection B of this section shall be applied to the difference. The registration fee required by paragraph 1 of subsection B of this section shall also be assessed. In no event shall the credit allowed by this subsection be refunded or be applied to the registration fee required by paragraph 1 of subsection B of this section.

D. If the credit allowed by subsection C of this section is taken, the registration shall expire at the time that the

registration for the original rental motor vehicle would have expired.

E. Upon registration and payment of the fees required by this section for a new rental motor vehicle which is a replacement for a rental motor vehicle which is permanently withdrawn from the rental fleet, the owner may transfer the license plate of the original rental motor vehicle to the replacement rental motor vehicle.

F. The Commission shall promulgate such rules and regulations as may be necessary to implement the provisions of this section.

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