

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

HOUSE JOINT
RESOLUTION NO. 1038

By: Rice of the House

and

Easley of the Senate

AS INTRODUCED

A Joint Resolution disapproving rules of the Oklahoma Tax Commission relating to the application of sales tax to natural gas and other fuels used to fuel compressors and transmission pipeline compressors; directing distribution; and declaring an emergency.

WHEREAS, on March 31, 1993, the Oklahoma Tax Commission submitted to the Legislature permanent Rule 710:65-19-223, relating to the imposition of sales tax on natural gas and other fuels used to fuel compressors, other than transmission pipeline compressors; and

WHEREAS, on March 31, 1993, the Oklahoma Tax Commission submitted to the Legislature permanent Rule 710:65-19-224, relating to the imposition of sales tax on natural gas and other fuels used to power transmission pipeline compressors; and

WHEREAS, Rule 710:65-19-223 and Rule 710:65-19-224 do not reflect the intent of the Oklahoma Legislature.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 1ST SESSION OF THE 44TH OKLAHOMA LEGISLATURE:

SECTION 1. Rule 710:65-19-223 providing for sales tax to be applied to natural gas and other fuels used to fuel compressors, other than transmission pipeline compressors, and defining point of sale for such tax, is hereby disapproved by the Oklahoma State

Legislature. The language of Rule 710:65-19-223, which is disapproved by this resolution, reads as follows:

"(a) Natural gas purchased for resale, manufacturing or other processing and then withdrawn to fuel compressors, other than transmission pipeline compressors, is subject to sales tax unless specifically exempt by the Sales Tax Code.

(b) All other fuels used to fuel compressors are subject to sales tax.

(c) The "point of sale" for imposition of sales tax on natural gas or other fuel used to power the compressor is at the location of the compressor.

(d) Payment of sales tax to the Commission on the natural gas or other fuel is the responsibility of the operator."

SECTION 2. Rule 710:65-19-224 providing for sales tax to be applied to natural gas and other fuels withdrawn from the pipeline and used to fuel transmission pipeline compressors and defining point of sale for such tax, is hereby disapproved by the Oklahoma State Legislature. The language of Rule 710:65-19-224, which is disapproved by this resolution, reads as follows:

"(a) Natural gas being transported though [sic] a pipeline, and withdrawn from the pipeline to fuel transmission pipeline compressors, is subject to sales tax.

(b) All other fuels used to fuel transmission pipeline compressors are subject to sales tax.

(c) The "point of sale" for imposition of sales tax on natural gas or other fuel used to power transmission pipeline compressors is at the location of the compressor.

(d) Payment of sales tax to the Commission on natural gas withdrawn from the pipeline is the responsibility of the pipeline operator."

SECTION 3. The Secretary of State is hereby directed to distribute copies of this resolution to the Governor, the Oklahoma Tax Commission and the editor of "The Oklahoma Register".

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this resolution shall take effect and be in full force from and after its passage and approval.

44-1-7107

JAF