

ENGROSSED HOUSE
BILL NO. 1522

By: Cotner, Sullivan (John),
Thornbrugh and Paulk of
the House

and

Hobson of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 1991, Sections 502, 502.1, 502.2, 502.3, 502.4, 502.5, 502.6 and 502.7, which relate to the levy of taxes on motor fuels; clarifying purpose and intent of gasoline and diesel fuel tax levies; amending 68 O.S. 1991, Section 505, as amended by Section 16, Chapter 146, O.S.L. 1993 (68 O.S. Supp. 1994, Section 505), which relates to due date and remittance of tax, reports and penalties; deleting certain reference to licensed retailer; amending 68 O.S. 1991, Sections 516, 520, 522 and 522.1, which relate to additional gasoline, diesel and other fuels taxes; clarifying purpose and intent of gasoline, diesel fuel and other fuel tax levies; amending 68 O.S. 1991, Section 527, as amended by Section 1, Chapter 300, O.S.L. 1992 (68 O.S. Supp. 1994, Section 527), which relates to exemptions from state tax; providing exemption from certain taxes for federally recognized Indian tribes; requiring certain certificate to be issued to federally recognized Indian tribes; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 502, is amended to read as follows:

Section 502. There is hereby levied an excise tax of four cents (\$0.04) per gallon upon the sale of each and every gallon of gasoline sold, or stored and distributed, or withdrawn from storage, within the state, for sale or use, to be reported and collected as provided by law; ~~provided, that ninety-seven.~~ It is the purpose and intent of this section that the tax levied on gasoline pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents for this state for the collection of the tax. Ninety-seven and one-half percent (97 1/2%) of the net gallonage reported for taxation, after all deductions allowed by law have been made, shall be the basis used in the computation of the amount of tax due; ~~provided, further, no.~~ No gasoline shall be the basis more than once of the tax imposed by this section.

The tax shall be payable upon gasoline sold and delivered to, or used by the state or any political subdivision thereof.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 502.1, is amended to read as follows:

Section 502.1 There is hereby levied an excise tax of five and one-half cents (\$0.055) per gallon upon the sale of each and every gallon of diesel fuel sold within the state, to be reported and collected as provided by law; ~~provided, that ninety-seven.~~ It is the purpose and intent of this section that the tax levied on diesel fuel pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this

state for the collection of the tax. Ninety-seven and one-half percent (97 1/2%) of the net gallonage reported for taxation, after all deductions allowed by law have been made, shall be the basis used in the computation of the amount of tax due; provided, further, no. No diesel fuel shall be the basis more than once of the tax imposed by this section.

The tax shall be payable upon diesel fuel sold and delivered to or used by the state.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 502.2, is amended to read as follows:

Section 502.2 A. In addition to the excise taxes levied by Sections 502, 516, 520 and 522 of ~~Title 68 of the Oklahoma Statutes~~ this title, there is hereby levied an excise tax of two and forty-two one-hundredths cents (\$0.0242) upon the sale of every gallon of gasoline sold, or stored and distributed, or withdrawn from storage within the state, for sale or use, which tax shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the sale or use of gasoline within this state. Ninety-seven and one-half percent (97.5%) of the net gallonage reported to the Tax Commission for taxation, after all deductions allowed by law have been made, shall be the basis used in the computation of the amount of tax due. It is the purpose and intent of this section that the tax levied on gasoline pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax.

B. Gasoline used exclusively by the United States and gasoline which is exempt from tax pursuant to the provisions of Sections 507, 508, 509 and 527 of ~~Title 68 of the Oklahoma Statutes~~ this title shall be exempt from the tax levied pursuant to the provisions of this section.

C. The additional excise tax of two and forty-two one-hundredths cents (\$0.0242) per gallon of gasoline levied in this section, together with any interest and penalties thereon, collected by the Oklahoma Tax Commission shall be apportioned monthly as follows:

Two cents (\$0.02) of the two and forty-two one-hundredths cents (\$0.0242), together with any interest and penalties thereon, shall be apportioned according to the provisions of Section 504 of ~~Title 68 of the Oklahoma Statutes~~ this title.

Forty-two one-hundredths cents (\$0.0042) of the two and forty-two one-hundredths cents (\$0.0242), together with any interest and penalties thereon, shall be deposited in the County Bridge Improvement Fund of the State Treasury to be used for the purposes set forth in the County Bridge Improvement Act.

SECTION 4. AMENDATORY 68 O.S. 1991, Section 502.3, is amended to read as follows:

Section 502.3 A. In addition to the excise tax levied by Sections 502.1 and 522.1 of ~~Title 68 of the Oklahoma Statutes~~ this title, there is hereby levied an excise tax of two and one-half cents (\$0.025) upon the sale of each gallon of diesel fuel sold, or stored and distributed, or withdrawn from storage, within the state, for sale or use, which shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the sale or use of diesel fuel within this state. The basis for computation of the amount due shall be ninety-seven and one-half percent (97.5%) of the net gallonage reported for taxation, after all deductions allowed by law have been made. It is the purpose and intent of this section that the tax levied on diesel fuel pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax.

B. Diesel fuel used exclusively by the United States and diesel fuel which is exempt from tax pursuant to the provisions of Sections 507, 508, 509 and 527 of ~~Title 68 of the Oklahoma Statutes~~ this title shall be exempt from the tax levied pursuant to the provision of this section.

C. The additional excise tax of two and one-half cents (\$0.025) per gallon of diesel fuel levied in this section, together with any interest and penalties thereon, collected by the Oklahoma Tax Commission shall be apportioned monthly as follows:

Two cents (\$0.02) of the two and one-half cents (\$0.025), together with any interest and penalties thereon, shall be apportioned according to the provisions of paragraph 1 of Section 504.1 of ~~Title 68 of the Oklahoma Statutes~~ this title.

One-half of one cent (\$0.005) of the two and one-half cents (\$0.025), together with any interest and penalties thereon, shall be deposited in the County Bridge Improvement Fund of the State Treasury to be used for the purposes set forth in the County Bridge Improvement Act.

SECTION 5. AMENDATORY 68 O.S. 1991, Section 502.4, is amended to read as follows:

Section 502.4 A. There is hereby levied an excise tax of one cent (\$0.01) upon the sale of every gallon of gasoline sold, or stored and distributed, or withdrawn from storage within the state, for sale or use, which shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the sale or use of gasoline within this state. The basis for computation of the amount due shall be ninety-seven and one-half percent (97.5%) of the net gallonage reported to the Tax Commission for taxation, after all deductions allowed by law have been made. It is the purpose and intent of this section that the tax levied on gasoline pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy

and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax.

B. Gasoline used exclusively by the United States and gasoline which is exempt from tax pursuant to the provisions of Sections 507, 508, 509 and 527 of ~~Title 68 of the Oklahoma Statutes~~ this title shall be exempt from the tax levied pursuant to the provisions of this section.

C. The additional excise tax of one cent (\$.01) per gallon of gasoline levied by this section, together with any interest and penalties thereon, collected by the Oklahoma Tax Commission shall be deposited in the County Road Improvement Revolving Fund of the State Treasury to be used for the purposes set forth in the County Road Improvement Act.

SECTION 6. AMENDATORY 68 O.S. 1991, Section 502.5, is amended to read as follows:

Section 502.5 A. There is hereby levied an excise tax of one cent (\$.01) upon the sale of each gallon of diesel fuel sold, or stored and distributed, or withdrawn from storage, within the state, for sale or use, which shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the sale or use of diesel fuel within this state. The basis for computation of the amount due shall be ninety-seven and one-half percent (97.5%) of the net gallonage reported to the Tax Commission for taxation, after all deductions allowed by law have been made. It is the purpose and intent of this section that the tax levied on diesel fuel pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax.

B. Diesel fuel used exclusively by the United States and diesel fuel which is exempt pursuant to the provisions of Sections 507,

508, 509 and 527 of ~~Title 68 of the Oklahoma Statutes~~ this title shall be exempt from the tax levied pursuant to the provisions of this section.

C. The additional excise tax of one cent (\$0.01) per gallon of diesel fuel levied by this section, together with any interest and penalties thereon, collected by the Oklahoma Tax Commission shall be deposited in the County Road Improvement Revolving Fund of the State Treasury to be used for the purposes set forth in the County Road Improvement Act.

SECTION 7. AMENDATORY 68 O.S. 1991, Section 502.6, is amended to read as follows:

Section 502.6 A. In addition to the excise taxes levied by Sections 502, 502.2, 502.4, 516, 520 and 522 of this title, there is hereby levied an excise tax of six cents (\$0.06) upon the sale of every gallon of gasoline sold, or stored and distributed, or withdrawn from storage within the state, for sale or use, which shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the sale or use of gasoline within this state. The basis for computation of the amount due shall be one hundred percent (100%) of the net gallonage reported to the Tax Commission for taxation, after all deductions allowed by law have been made. It is the purpose and intent of this section that the tax levied on gasoline pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax.

B. Gasoline used exclusively by the United States and gasoline which is exempt from tax pursuant to the provisions of Sections 507, 508, 509 and 527 of this title shall be exempt from the tax levied pursuant to the provisions of this section.

C. It is hereby declared to be the intent of the Legislature that the total state excise tax, levied by this section and Sections 502, 502.2, 502.4, 516, 520 and 522 of this title, shall be sixteen cents (\$0.16) upon the sale or use of each gallon of gasoline within this state and that no gasoline shall be subject to said total tax more than one time.

D. The additional excise tax of six cents (\$0.06) per gallon of gasoline levied by this section, together with any interest and penalties thereon, collected by the Oklahoma Tax Commission shall be apportioned monthly as follows:

1. Five cents (\$0.05) of the six cents (\$0.06), together with any interest and penalties thereon, shall be apportioned to the State Transportation Fund for any purpose provided for in Section 1502 of Title 69 of the Oklahoma Statutes; and

2. One cent (\$0.01) of the six cents (\$0.06), together with any interest and penalties thereon, shall be distributed to the various counties in the following manner: thirty percent (30%) based upon area, thirty percent (30%) based upon population according to the latest Federal Decennial Census or the most recent annual estimate provided by the U.S. Bureau of the Census and forty percent (40%) based upon county road mileage on the basis which the respective area, population and county road mileage of each county bear to the total area, population and county road mileage of the state. The funds so transmitted shall be sent to the respective county treasurers and by them deposited in the county highway fund to be used by the board of county commissioners for the purpose of construction, repair and maintenance of county roads and highways.

SECTION 8. AMENDATORY 68 O.S. 1991, Section 502.7, is amended to read as follows:

Section 502.7 A. In addition to the excise taxes levied by Sections 502.1, 502.3, 502.5 and 522.1 of this title, there is hereby levied an excise tax of three cents (\$0.03) upon the sale of

each gallon of diesel fuel sold, or stored and distributed, or withdrawn from storage, within the state, for sale or use, which shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the sale or use of diesel fuel within this state. The basis for computation of the amount due shall be one hundred percent (100%) of the net gallonage reported to the Tax Commission for taxation, after all deductions allowed by law have been made. It is the purpose and intent of this section that the tax levied on diesel fuel pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents for this state for the collection of the tax.

B. Diesel fuel used exclusively by the United States and diesel fuel which is exempt from tax pursuant to the provisions of Sections 507, 508, 509 and 527 of this title shall be exempt from the tax levied pursuant to the provisions of this section.

C. It is hereby declared to be the intent of the Legislature that the total state excise tax levied by this section and Sections 502.1, 502.3, 502.5 and 522.1 of this title, shall be thirteen cents (\$0.13) upon the sale or use of each gallon of diesel fuel within this state and that no diesel fuel shall be subject to said total tax more than one time.

D. The additional excise tax of three cents (\$0.03) per gallon of diesel fuel levied by this section, together with any interest and penalties thereon, collected by the Oklahoma Tax Commission shall be apportioned monthly to the State Transportation Fund.

SECTION 9. AMENDATORY 68 O.S. 1991, Section 505, as amended by Section 16, Chapter 146, O.S.L. 1993 (68 O.S. Supp. 1994, Section 505), is amended to read as follows:

Section 505. A. The tax levied by Sections 502, 502.1 and 522.1 of this title are due and payable on the first day of each

month for the preceding calendar month, and if not paid on or before the twenty-fifth day of each month shall thereafter be delinquent.

B. Every distributor shall make and transmit to the Tax Commission on or before the twenty-fifth day of each calendar month, upon a form prescribed or furnished by the Tax Commission, an itemized and verified report showing the quantity of motor fuel, diesel fuel or blending material imported, produced, refined, manufactured, or compounded within this state, the number of gallons of motor fuel, diesel fuel or blending material received, as shown by the shipper's invoice thereof, by such distributor in this state, from any source during the preceding month, the number of gallons of motor fuel, diesel fuel or blending material purchased, received or accepted in this state in the original package or container in which same was imported into this state, the amount purchased, the date of each purchase, the name of the person from whom purchased, the manifest, bill of lading or delivery invoice number of each shipment, which number shall be the number used by the original supplier as shown on the basic shipping records which accompany the shipment, the date of receipt of such shipment of motor fuel, diesel fuel or blending material, the point of origin, point of destination of each shipment, the quantity of each of said purchases or shipments, the tank car number and initials of the car, if shipped by rail, or the name or the O.T.C. license number of the transporter if shipped by truck. The report must also include the number of gallons of motor fuel, diesel fuel or blending material sold or withdrawn from storage for sale or use in this state during the preceding month, the date of each such sale, or use or withdrawal for the sale, the quantity of each sale, or amount used, the name and address of each purchaser, the manifest, bill of lading, or delivery invoice number, which number shall be the number as shown on the basic shipping or delivery records which accompany the delivery, the tank car initial and number of the car in which same

was shipped, if transported by rail, or the name or the O.T.C. license number of the transporter, if shipped by truck. Provided that, if it is determined by the Tax Commission that a detailed record including delivery invoice of each and every sale of motor fuel, diesel fuel or blending material is being kept in accordance with the provisions of this article, the Tax Commission may require in lieu of the detailed schedule of sales, a report of the total gallons of motor fuel, diesel fuel or blending material sold or used by each bulk station, together with a detailed listing of all sales on which exemption is claimed showing the date, seller's invoice number, exemption invoice number, name and address and exemption permit number of the purchaser and number of gallons of each sale. Provided, however, that all persons engaged in producing, refining, preparing, distilling, blending, manufacturing, or compounding motor fuel, diesel fuel or blending material, ~~must~~ shall include the required detailed schedule of withdrawals from storage for sale or use in the monthly reports covering such producing, refining, preparing, distilling, blending, manufacturing, or compounding operations. The report must also include the amount of motor fuel, diesel fuel or blending material on hand at the beginning and close of the month as shown by the physical inventory taken on those dates, and such other information pertaining to such production, receipts, sales, or use of motor fuel, diesel fuel or blending material ordered as the Tax Commission may require. In order to compute the net gallonage of diesel fuel taxable under this act, there shall be allowed a deduction from the total number of gallons of diesel fuel sold the amount of diesel fuel used exclusively for purposes other than to propel motor vehicles over the public highways of this state. In the event it would be either more practicable or more accurate to determine the amount of diesel fuel so used on a mileage, idling time or other basis, the Tax Commission is authorized to approve and accept such basis.

C. Every distributor, at the time of making the monthly reports required by this section, shall remit to the Tax Commission the amount of tax due.

It shall be unlawful for any distributor, retailer or dealer to sell or offer for sale in this state, motor fuel or diesel fuel while delinquent in the payment of any excise tax due the state.

Motor fuel taxes remitted by a distributor ~~on behalf of a licensed retailer of the distributor or collected~~ on behalf of a nonlicensed purchaser of motor fuel that are subsequently determined to be uncollectible by the distributor may be credited against subsequent motor fuel tax liability imposed by law upon such distributor. For purposes of this subsection, motor fuel taxes ~~collected on behalf of a licensed retailer of the distributor or collected~~ remitted on behalf of a nonlicensed purchaser shall be deemed uncollectible if such taxes are deducted for purposes of calculating the federal income tax liability of the distributor. The method for crediting uncollectible motor fuel taxes as provided by this subsection shall be prescribed in rules and regulations of the Oklahoma Tax Commission.

D. Reports and remittances as required herein, which are received by the Tax Commission subsequent to the twenty-fifth of the month but which were mailed on or before the twenty-fifth of the month in which payable, shall be deemed to have been received by the Tax Commission before becoming delinquent. Postmark or registry receipt showing deposit in the U.S. mails shall be conclusive evidence of the date of mailing.

The time for filing returns and paying the tax levied by this article shall not be extended.

E. Any retailer or dealer as defined in Section 501 of this title shall, at its option, pay to the distributor, for the benefit of the state, all taxes due on all diesel fuel purchased from distributors or may procure a distributor's license as provided in

Section 510 of this title and be subject to the reporting requirements of this section.

F. When any person shall fail to submit or remit to the Tax Commission any reports or taxes required hereunder for the tax levied in Sections 502.1 and 522.1 of this title within twenty-five (25) days from the date they are due, the Tax Commission may assess the following additional penalties:

A penalty of ten percent (10%) of the total tax due may be assessed on the thirtieth day from the day the taxes or reports are due.

Should the taxes or reports required hereunder not be submitted or remitted after the thirtieth day from the day they are due, action may be initiated to cancel such person's license under the provisions of Section 212 of this title.

SECTION 10. AMENDATORY 68 O.S. 1991, Section 516, is amended to read as follows:

Section 516 ~~(a)~~ A. An excise tax of one and one-half cents (\$0.015) per gallon is levied upon the sale of each and every gallon of gasoline sold, or stored and distributed, or withdrawn from storage, for sale or use, which tax shall be in addition to the tax of four cents (\$0.04) per gallon levied by Section 502 of this ~~Code~~ title, and which tax shall be in addition to all other taxes ~~herein or hereafter~~ levied upon gasoline; ~~provided, that ninety-seven.~~ Ninety-seven and one-half percent (97 1/2%) of the net gallonage reported for taxation, after all deductions allowed by law have been made, shall be the basis used in the computation of the amount of tax due; ~~and provided, further, that gasoline.~~ It is the purpose and intent of this section that the tax levied on gasoline pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax. Gasoline which is exempt from the tax of

four cents (\$0.04) per gallon under Section 509 of this ~~Code~~ title shall also be exempt from one-half cent (\$0.005) per gallon gasoline excise tax of the one and one-half cents (\$0.015) per gallon tax levied by this section but shall not be exempt from the remaining one cent (\$0.01) per gallon gasoline excise tax hereby levied. It is the intent of the Legislature that one-half cent (\$0.005) per gallon of the one and one-half cents tax levied by this section shall not apply to gasoline when used for agricultural purposes as provided by Section 509 of this ~~Code~~; ~~and provided, further, that~~ ~~gasoline~~ title. Gasoline which is exempted from the tax of four cents (\$0.04) under Section 508 of this ~~Code~~ title shall be exempted from the one and one-half cents (\$0.015) per gallon tax levied by this section; ~~and provided, further, that no.~~ No gasoline shall be the subject of the tax hereby levied more than once.

~~(b)~~ B. The tax of one and one-half cents (\$0.015) per gallon herein levied shall be reported to and collected by the Tax Commission in the same manner, by the same method and at the same time as the tax of four cents (\$0.04) per gallon levied by Section 502 of this ~~Code~~ title.

~~(c)~~ C. The tax of one and one-half cents (\$0.015) per gallon herein levied shall apply to and be payable on gasoline sold and delivered to or used by the state, city, town, county or any political subdivision thereof.

SECTION 11. AMENDATORY 68 O.S. 1991, Section 520, is amended to read as follows:

Section 520. There is hereby levied an excise tax of eight one-hundredths of one cent (\$0.01) per gallon on all gasoline, kerosene, naphtha, motor fuel, and blending material sold, or stored and distributed or withdrawn from storage for sale or use in ~~the State of Oklahoma~~ this state or delivered in ~~the State of Oklahoma~~ this state for resale to consumers of such products, which shall be in addition to all other taxes levied by this article. It is the

purpose and intent of this section that the tax levied on gasoline, kerosene, naphtha, motor fuel, and blendings material pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax.

SECTION 12. AMENDATORY 68 O.S. 1991, Section 522, is amended to read as follows:

Section 522. ~~(a)~~ A. There is hereby levied an excise tax of one cent (\$0.01) per gallon upon the sale of each and every gallon of gasoline sold, or stored and distributed, or withdrawn from storage, for sale or use, which tax shall be in addition to all other taxes levied by this article upon gasoline; ~~provided, that ninety-seven.~~ Ninety-seven and one-half percent (97 1/2%) of the net gallonage reported for taxation, after all deductions allowed by law have been made, shall be the basis used in the computation of the amount of tax due; ~~and provided, further, that no.~~ No gasoline shall be the subject of the tax hereby imposed more than once. It is the purpose and intent of this section that the tax levied on gasoline pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax.

~~(b)~~ B. The excise tax of one cent (\$0.01) per gallon levied by this section, including interest and penalties thereon, shall be reported to and collected by the Tax Commission at the same time, in the same manner, and by the same method as the tax imposed by Section 502 of this ~~Code~~ title.

~~(c)~~ C. On sales of gasoline by a licensed distributor of motor fuel, to any other licensed distributor, the tax levied by this section may be assumed by such other licensed distributor in the

same manner and under the same conditions as provided elsewhere herein.

~~(d)~~ D. The only exemptions from the tax hereby levied are as follows:

1. Gasoline or motor fuel used exclusively by the United States.

2. Gasoline or motor fuel exported from this state which is exempt under Section 507(b) of this ~~Code~~ title.

3. Gasoline or motor fuel used exclusively in aircraft which is exempt under the provisions of Section 508 of this ~~Code~~ title.

4. Gasoline or motor fuel purchased by a school district which is exempt under provisions of Section 527 of this ~~Code~~ title.

SECTION 13. AMENDATORY 68 O.S. 1991, Section 522.1, is amended to read as follows:

Section 522.1 There is hereby levied an excise tax of one cent (\$0.01) per gallon upon the sale of each and every gallon of diesel fuel sold within the state, to be reported and collected as provided by law; ~~provided, that ninety-seven.~~ Ninety-seven and one-half percent (97 1/2%) of the net gallonage reported for taxation, after all deductions allowed by law have been made, shall be the basis used in the computation of the amount of tax due; ~~provided, further,~~ ~~no.~~ No diesel fuel shall be the basis more than once of the tax imposed by this section. It is the purpose and intent of this section that the tax levied on diesel fuel pursuant to the provisions of this article shall be a levy and assessment on the consumer and the levy and assessment on other persons as specified in this article shall be as agents of this state for the collection of the tax.

The tax shall be payable upon diesel fuel sold and delivered to the state.

SECTION 14. AMENDATORY 68 O.S. 1991, Section 527, as amended by Section 1, Chapter 300, O.S.L. 1992 (68 O.S. Supp. 1994, Section 527), is amended to read as follows:

Section 527. A. Gasoline, diesel fuel or special fuels used solely and exclusively in district-owned public school vehicles or FFA and 4-H Club trucks for the purpose of legally transporting public school children shall be exempt from all state taxes; and gasoline, diesel fuel or special fuels purchased by any school district for use exclusively in school buses leased or hired for the purpose of legally transporting public school children, or in the operation of vehicles used in driver training, shall also be exempt from all state taxes.

B. Gasoline, diesel fuel or special fuels used solely and exclusively as fuel to propel motor vehicles on the public roads and highways of this state, when leased or owned and being operated for the sole benefit of a county, city, town, or a volunteer fire department with a state certification and rating, shall be exempt from all state taxes levied by this title. Provided, if the gasoline, diesel fuel or special fuels are placed directly into the fuel supply tank or tanks of the motor vehicles by the supplier, certification must be made on the invoice and all such sales must be reported by the supplier on forms provided by the Oklahoma Tax Commission.

C. Sales of motor fuel and diesel fuel to federally recognized Indian tribes for use in tribally owned vehicles used exclusively for governmental purposes shall be exempt from the taxes levied by this article. All federally recognized Indian tribes shall be issued a tax exemption certificate from the Oklahoma Tax Commission for that portion authorized by this section to be tax exempt.

SECTION 15. 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 act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 8th day of March, 1995.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1995.

President of the Senate