

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

HOUSE BILL NO. 1563

By: Tyler

AS INTRODUCED

An Act relating to alternative fuels; amending 74 O.S. 1991, Section 130.5, which relates to the Oklahoma Alternative Fuels Conversion Act; modifying certain language and updating statutory references; amending 68 O.S. 1991, Section 723, as last amended by Section 7, Chapter 224, O.S.L. 1993 (68 O.S. Supp. 1994, Section 723), which relates to fee in lieu of tax; modifying certain language; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 130.5, is amended to read as follows:

Section 130.5 A. The Oklahoma Alternative Fuels Conversion Fund shall be reimbursed by a surcharge on alternative fuels sold within the state under the provisions of the Oklahoma Alternative Fuels Conversion Act.

B. A reimbursement account shall be established in the name of each recipient of reimbursement for vehicle conversion and/or fill station installation pursuant to the provisions of Section ~~603~~ 130.3 of this title. The initial amount of each recipient's account shall be the amount of the reimbursement received by that recipient. A

recipient's account shall be increased by the amount of any subsequent reimbursement received by that recipient; a recipient's account shall be reduced by the amount of all surcharges on alternative fuels paid by that recipient.

C. A surcharge in an amount equivalent to the per gallon fuel cost savings in utilizing alternative fuels ~~is hereby~~ shall be levied on sales of alternative fuels to recipients of reimbursement for vehicle conversion and/or fill station installation pursuant to the provisions of Section ~~603~~ 130.3 of this title. Initially, the amount of the surcharge shall be based upon monthly fuel savings as determined in the manner prescribed in subsection A of Section ~~603~~ 130.3 of this title. Such amount shall be adjusted periodically, by the Oklahoma Tax Commission, to reflect any change in the amount of fuel savings actually received by the recipient. The surcharge shall not be levied on sales of alternative fuels for any other purposes. The surcharge shall continue on sales to each such recipient for so long as that recipient maintains a reimbursement account. When the reimbursement account for a recipient is reduced to zero, the surcharge levied by this section shall terminate until such time as a reimbursement account may be re-established for that recipient.

D. The surcharge levied by this section shall be collected by the Oklahoma Tax Commission and apportioned monthly to the Oklahoma Alternative Fuels Conversion Fund.

E. The surcharge levied by this section shall be suspended whenever the price of the alternative fuel used by the recipient is equal to or greater than the price of the original fuel displaced by the alternative fuel which may be purchased by such recipient. Provided, such surcharge shall be reinstated whenever the price of the alternative fuel used by the recipient becomes less than the price of the original fuel displaced by the alternative fuel which may be purchased by such recipient.

F. The Oklahoma Tax Commission shall adopt rules and regulations relating to the payment and collection of the surcharge levied by this section.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 723, as last amended by Section 7, Chapter 224, O.S.L. 1993 (68 O.S. Supp. 1994, Section 723), is amended to read as follows:

Section 723. A. In lieu of the special fuel tax imposed by Sections 703, 705, 707.1, 707.2 and 707.3 of this title, there ~~is hereby~~ shall be levied a flat fee of Fifty Dollars (\$50.00) on each passenger automobile, and on each pickup truck or van not exceeding one (1) ton in capacity, using liquefied petroleum gas or natural gas as fuel, except that no such fee shall be levied on any vehicle which is the subject of an exemption pursuant to Section 708 of this title. ~~Provided that, should~~ Should the passenger automobile, pickup truck or van have been acquired or should the liquefied petroleum gas or natural gas system be installed on or after July 1, the flat fee shall be Twenty-five Dollars (\$25.00) for the remainder of the calendar year, except as hereinafter provided.

B. Beginning January 1, 1991, in lieu of the special fuel tax imposed by Sections 703, 705, 707.1, 707.2 and 707.3 of this title, there ~~is hereby~~ shall be levied a flat fee of One Hundred Dollars (\$100.00) on each passenger automobile, and on each pickup truck or van not exceeding one (1) ton in capacity, using compressed natural gas, liquefied natural gas, methanol or "M-85" which is a mixture of methanol and gasoline containing at least eighty-five percent (85%) methanol as fuel, except that no such fee shall be levied on any vehicle which is the subject of an exemption pursuant to Section 708 of this title. ~~Provided that, should~~ Should the passenger automobile, pickup truck or van have been acquired or should the compressed natural gas, liquefied natural gas, methanol or "M-85" system be installed on or after July 1, the flat fee shall be Fifty

Dollars (\$50.00) for the remainder of the calendar year, except as hereinafter provided.

C. Beginning January 1, 1993, in lieu of the special fuel tax imposed by Sections 703, 705, 707.1, 707.2 and 707.3 of this title, there ~~is hereby~~ shall be levied a flat fee of One Hundred Fifty Dollars (\$150.00) on each vehicle exceeding one (1) ton in capacity, using liquefied petroleum gas, compressed natural gas, liquefied natural gas, methanol or "M-85" as fuel, except that no such fee shall be levied on any vehicle which is the subject of an exemption pursuant to Section 708 of this title. ~~Provided that, should~~ Should the vehicle be acquired or should the compressed natural gas, liquefied natural gas, methanol or "M-85" system be installed on or after July 1, the flat fee shall be Seventy-five Dollars (\$75.00) for the remainder of the calendar year, except as hereinafter provided.

D. Every person operating a vehicle using liquefied petroleum gas, liquefied natural gas, compressed natural gas, methanol or "M-85" as fuel shall make application for and obtain a decal to be issued on a yearly basis by the Oklahoma Tax Commission on forms prescribed and furnished by the Tax Commission.

E. Every person required to make application for and receive a decal under this section shall, at the time of making said application, remit to the Tax Commission the total amount of the fee due.

F. Each decal issued by the Tax Commission pursuant to the provisions of this section, shall expire on December 31 of every year, and in addition thereto said decals shall be displayed in the lower right hand corner of the front windshield of said vehicle. Upon receipt of satisfactory proof by the Tax Commission that it has become necessary to replace the windshield of the vehicle for which the decal was issued, another decal shall be issued by the Tax Commission as a replacement for a fee of One Dollar (\$1.00).

G. When any vehicle using liquefied petroleum gas, liquefied natural gas, compressed natural gas, methanol or "M-85" as fuel and displaying a current decal as provided in this section is sold, such decal shall remain with the vehicle sold, unless the equipment installed to enable the vehicle to use liquefied petroleum gas, liquefied natural gas, compressed natural gas, methanol or "M-85" has been removed from the vehicle before the sale.

H. When the aforementioned equipment has been removed before the sale, the seller of the vehicle shall also remove the decal required of vehicles using liquefied petroleum gas, liquefied natural gas, compressed natural gas, methanol or "M-85". The removed decal, a receipt from the Oklahoma Tax Commission showing that the fee required has been paid for the current year, and the payment of a one-dollar fee for duplicate decal shall entitle the seller to make application for and obtain a new decal to be used for the remainder of the year on any vehicle using liquefied petroleum gas, liquefied natural gas, compressed natural gas, methanol or "M-85" in accordance with the provisions of this section.

I. Provisions contained in Sections 701 through 721 of this title shall not apply to any vehicle using liquefied petroleum gas, liquefied natural gas, compressed natural gas, methanol or "M-85".

J. All funds derived from the fee imposed by subsection A of this section shall be deposited annually in the General Revenue Fund of the State Treasury by the Tax Commission. When any person fails to obtain a current decal within thirty (30) days of the date said decal is required as provided in this section, there shall become due and payable a penalty of twenty percent (20%) of the fee in addition to the fee. Said penalty to be deposited in the same manner as the fee pursuant to this subsection.

K. All funds derived from the fee imposed by subsections B and C of this section shall be collected by the Oklahoma Tax Commission and apportioned annually to the State Transportation Fund. When any

person fails to obtain a current decal within thirty (30) days of the date such decal is required as provided in this section, there shall become due and payable a penalty of twenty percent (20%) of the fee in addition to the fee. Such penalty shall be deposited in the same manner as the fee pursuant to this subsection.

SECTION 3. This act shall become effective November 1, 1995.

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