

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL HB1734

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COMMITTEE SUBSTITUTE

(revenue and taxation - amending 47 O.S., Section
1132 - motor vehicle registration fee - motor
vehicle excise tax - amnesty program- codification
- effective date -
emergency)

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

SECTION 1. AMENDATORY 47 O.S. 1991, Section 1132, as amended by Section 1, Chapter 10, O.S.L. 1995 (47 O.S. Supp. 1998, Section 1132), is amended to read as follows:

Section 1132. A. For all vehicles, unless otherwise specifically provided by Section 1101 et seq. of this title, ~~the following vehicle registration fees shall be assessed:~~

~~1. A a registration fee of Fifteen Dollars (\$15.00) shall be assessed at the time of initial registration by the owner 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 and one-quarter percent (1 1/4%) 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).~~

~~After the first year's registration in this or any other state, the fee shall be assessed at ninety percent (90%) of the fee~~

~~computed and assessed for the first year. Thereafter such fee shall be computed and assessed at ninety percent (90%) of the previous year's fee. The fee shall be so computed and assessed through the twelfth year of registration. The fee thereafter through the twentieth year of registration shall be the same as for the twelfth year of registration. The fee provided by this paragraph shall not be assessed after the twentieth year of registration. The fee provided by this paragraph shall be paid annually for the vehicle registered;~~

~~3. Provided that in no event shall the fee for the registration of a vehicle imposed by this subsection exceed the fee paid to register said vehicle for the preceding year; and, in amounts as follows:~~

~~1. For the first through the fifth year of registration in this or any other state, Eighty-five Dollars (\$85.00);~~

~~2. For the sixth through the tenth year of registration in this or any other state, Forty-five Dollars (\$45.00); and~~

~~3. For the eleventh and any following year of registration in this or any other state, Fifteen Dollars (\$15.00).~~

~~4. B. Provided further, there shall be a credit allowed with respect to the fee for registration of a new vehicle which is a replacement for:~~

~~a. a 1. A new original vehicle which is stolen from the purchaser/registrant within ninety (90) days of the date of purchase of the original vehicle as certified by a police report or other documentation as required by the Oklahoma Tax Commission; or~~

~~b. a 2. A defective new original vehicle returned by the purchaser/registrant to the seller within six (6) months of the date of purchase of the defective new original vehicle as certified by the manufacturer.~~

~~Said~~ The credit shall be in the amount of the fee for registration which was paid for the new original vehicle and shall be applied to the registration fee for the replacement vehicle. In no event will ~~said~~ the credit be refunded.

~~B.~~ C. Upon every transfer or change of ownership of a vehicle, the new owner shall obtain title for and, except in the case of salvage vehicles and manufactured homes, register the vehicle within thirty (30) days of change of ownership and pay ~~the~~ a transfer fee provided in paragraph 1 of subsection A of this section of Fifteen Dollars (\$15.00) in addition to any other fees provided for in this ~~subsection~~ act. No new decal shall be issued to the registrant. Thereafter, the owner shall register the vehicle annually on the anniversary date of its initial registration in this state and shall pay the fees provided in ~~paragraphs~~ paragraph 1 and 2 of subsection A of this section and receive a decal evidencing such payment. Provided, used motor vehicle dealers shall be exempt from the provisions of this section.

~~C.~~ D. In the event the vehicle is not registered, titled and tagged within thirty (30) days from the date of transfer of ownership, the penalty for the failure of the owner of the vehicle to register ~~said~~ the vehicle within thirty (30) days shall be twenty-five cents (\$0.25) per day, provided that in no event shall the penalty exceed Twenty-five Dollars (\$25.00).

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1156 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. For the purpose of encouraging the voluntary disclosure and payment of motor vehicle fees and taxes owed to this state, the Oklahoma Tax Commission is hereby authorized beginning July 1, 1999, through September 30, 1999, to establish a tax amnesty program during which penalties imposed pursuant to the provisions of the Oklahoma Vehicle License and Registration Act and Section 2101 et

seq. of Title 68 of the Oklahoma Statutes shall be waived if any taxpayer voluntarily registers a motor vehicle and pays all excise taxes and registration taxes or fees owed pursuant to the provisions of the Oklahoma Vehicle License and Registration Act or Section 2101 et seq. of Title 68 of the Oklahoma Statutes. The waiver of penalties shall apply to the nonpayment of vehicle excise taxes and registration taxes or fees which are delinquent prior to July 1, 1999.

B. The terms and other conditions of this program shall be determined by the Tax Commission.

C. The Tax Commission is authorized to expend necessary available funds to publicly advertise this program, and the advertisements shall correctly state the purposes and conditions of the program.

D. The Tax Commission shall be exempt from the provisions of Section 85.7 of Title 74 of the Oklahoma Statutes for the purpose of implementing this section.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 2103, as amended by Section 21, Chapter 294, O.S.L. 1997 (68 O.S. Supp. 1998, Section 2103), is amended to read as follows:

Section 2103. A. 1. Except as otherwise provided in Sections 2101 through 2108 of this title, there is hereby levied an excise tax upon the transfer of legal ownership of any vehicle registered in this state and upon the use of any vehicle registered in this state and upon the use of any vehicle registered for the first time in this state. The excise tax shall be levied at ~~three and one-fourth percent (3 1/4%)~~ four and one-half percent (4.5%) of the value of each vehicle, except; for any truck or truck-tractor registered under the provisions of subsection A of Section 1133 of Title 47 of the Oklahoma Statutes, for a laden weight or combined laden weight of 54,001 pounds or more, and for any trailer or semitrailer registered under subsection C of Section 1133 of Title

47 of the Oklahoma Statutes, which is primarily designed to transport cargo over the highways of this state and generally recognized as such, the excise tax shall be Ten Dollars (\$10.00). This exception shall not apply to special mobilized machinery, trailers, or semitrailers manufactured, modified or remanufactured for the purpose of providing services other than transporting cargo over the highways of this state. This exception shall also not apply to pickup trucks, vans, or sport utility vehicles.

2. The tax hereby levied shall be due at the time of the transfer of legal ownership or first registration in this state of such vehicle, and shall be collected by the Oklahoma Tax Commission at the time of the issuance of a certificate of title for any such vehicle. In the event an excise tax is collected on the transfer of legal ownership or use of the vehicle during any calendar year, then an additional excise tax must be collected upon all subsequent transfers of legal ownership. The excise tax levied by this section shall be delinquent from and after the thirtieth day after the legal ownership or possession of any vehicle is obtained. Any person failing or refusing to pay the tax as herein provided on or before date of delinquency shall pay in addition to the tax a penalty of twenty-five cents (\$0.25) per day for each day of delinquency, but such penalty shall in no event exceed the amount of the tax.

B. The excise tax levied in subsection A of this section assessed on all commercial vehicles registered pursuant to Section 1120 of Title 47 of the Oklahoma Statutes, as amended, shall be in lieu of all sales and use taxes levied under Articles 13 and 14 of this title. The transfer of legal ownership of any motor vehicle as used in this section and Articles 13 and 14 of this title shall include the lease, lease purchase or lease finance agreement involving any truck in excess of eight thousand (8,000) pounds combined laden weight or any truck-tractor provided the vehicle is registered in Oklahoma pursuant to Section 1120 of Title 47 of the

Oklahoma Statutes or any trailer, semitrailer or open commercial vehicle registered pursuant to Section 1133 of Title 47 of the Oklahoma Statutes, as amended. The excise tax levied herein shall not be subsequently collected at the end of the lease period if the lessee acquires complete legal title of the vehicle.

C. The provisions of this section shall not apply to transfers made without consideration between:

1. Husband and wife;
2. Parent and child; or
3. An individual and an express trust which that individual or the spouse, child or parent of that individual has a right to revoke.

D. 1. There shall be a credit allowed with respect to the excise tax paid for a new vehicle which is a replacement for:

- a. a new original vehicle which is stolen from the purchaser/registrant within ninety (90) days of the date of purchase of the original vehicle as certified by a police report or other documentation as required by the Commission, or
- b. a defective new original vehicle returned by the purchaser/registrant to the seller within six (6) months of the date of purchase of the defective new original vehicle as certified by the manufacturer.

2. The credit allowed pursuant to paragraph 1 of this subsection shall be in the amount of the excise tax which was paid for the new original vehicle and shall be applied to the excise tax due on the replacement vehicle. In no event shall the credit be refunded.

SECTION 4. AMENDATORY 68 O.S. 1991, Section 2104, as amended by Section 2, Chapter 300, O.S.L. 1992 (68 O.S. Supp. 1998, Section 2104), is amended to read as follows:

Section 2104. A. The value of any new motor vehicle, except a manufactured home, for the purposes of the excise tax levied by Section 2103 of this title, shall be determined as of the time the person applying for a certificate of title thereto obtained either ownership or possession of the vehicle, which shall be presumed to be the actual date of the sale or other transfer of ownership, and assignment of the certificate of title.

B. ~~The value of any new vehicle, except those vehicles subject to the tax levied pursuant to Section 4481 of Title 26 of the United States Code, manufactured in the United States shall be the manufacturer's price of such a vehicle delivered at the factory plus the value of all extra or optional equipment and accessories physically attached to such vehicle at the time of sale and sold as a part thereof minus any portion of the value of such optional equipment and accessories deducted by the dealer at the time of sale if such optional equipment and accessories are sold by the dealer as a discount package. The value of such optional equipment and accessories shall not be less than the manufacturer's suggested retail selling price thereof or the manufacturer's factory price thereof, whichever is the higher. Provided, that as to automobiles the value of such optional equipment and accessories shall not be less than the manufacturer's suggested retail selling price thereof as shown or listed on the label or sticker required by the Act of Congress known as the "Federal Disclosure of Automobile Information Act" (15 U.S.C.A. Section 1231), which is required to be securely affixed or attached on all new automobiles. A complete list of such extra or optional equipment and accessories showing separately such value of each item thereof or the total price of the discount package shall be furnished by the seller to the purchaser of all new vehicles. The total value of such optional equipment and accessories, minus any portion of such value deducted by the dealer at the time of sale if such optional equipment and accessories are~~

~~sold by the dealer as a discount package, and the factory delivered price of the vehicle, which total shall be the basis of the motor vehicle excise tax, for purposes of the excise tax levied by Section 2103 of this title, shall be the actual sales price of such vehicle less any discounts, credits or allowances for a motor vehicle exchanged as part of the transaction. Such price shall be entered on the bill of sale furnished by the seller to the purchaser, or on such other form as may be prescribed by the Oklahoma Tax Commission. The seller shall also show thereon separately, for license fee rate purposes only, the factory delivered price of the vehicle without extra or optional equipment.~~

C. ~~The value of a new vehicle subject to the tax levied pursuant to Section 4481 of Title 26 of the United States Code shall be, for the purposes of this article, the actual sales price of such vehicle, provided that said tax has been paid on said vehicle.~~

D. ~~The manufacturer's price of a new vehicle manufactured outside of the United States shall, for the purpose of the excise tax levied by Section 2103 of this title, be the value of such model and make of vehicle as determined by the Tax Commission as the gross value of such vehicle at the point or port of entry into the United States, which value shall likewise include the value of all extra or optional equipment and accessories attached to such vehicle minus any portion of the value of such optional equipment and accessories deducted by the dealer at the time of sale if such optional equipment and accessories are sold by the dealer as a discount package.~~

E. ~~For purposes of this section, the term "discount package" shall mean optional equipment and accessories physically attached to a vehicle which were selected and packaged together by the manufacturer to be offered for sale at a reduced price. The seller shall deliver to the buyer a copy of the label or sticker required by the Act of Congress known as the "Federal Disclosure of~~

~~Automobile Information Act" (15 U.S.C.A. Section 1231) indicating a discount package. The buyer shall deliver the copy to the Tax Commission at time of application for title.~~

~~F. Notwithstanding the definition of the terms "new vehicle" and "used vehicle" to the contrary contained in any other law, the term "new vehicle" as used in this section shall also include any vehicle of the latest manufactured model which is owned or acquired by a licensed used motor vehicle dealer and which has not theretofore been registered in Oklahoma and upon which vehicle an Oklahoma motor vehicle excise tax has not been paid. However, upon the sale or transfer by a licensed used motor vehicle dealer located in this state of any such vehicle which is the latest manufactured model, said vehicle shall be valued as a used vehicle for excise tax purposes.~~

~~G. The value of a used vehicle shall be sixty-five percent (65%) of the new vehicle value of such vehicle, determined (as above provided) for subsequent transfers in the first year and in the second year for which registered and sixty-five percent (65%) of the value of the previous year, so fixed for each successive calendar year for which such vehicle is registered and licensed in this, or any other state, until such vehicle reaches a minimum value of Two Hundred Fifty Dollars (\$250.00).~~

In computing the motor vehicle excise tax, the ~~fees collected~~ amount of tax due shall be rounded to the nearest dollar.

~~H. D.~~ In computing the motor vehicle excise tax due, the value of all vehicles shall be increased or reduced to the nearest multiple of Fifty Dollars (\$50.00) and for this purpose Twenty-five Dollars (\$25.00) or more shall be considered a major fraction of Fifty Dollars (\$50.00) and shall require an increase to the next nearest multiple of Fifty Dollars (\$50.00).

SECTION 4. This act shall become effective July 1, 1999.

SECTION 5. 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.

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