

ENROLLED SENATE
BILL NO. 1224

By: Easley of the Senate

and

Nations, Liotta, Nance,
Perry, Pettigrew, Roggow,
Smith (Hopper) and
Winchester of the House

An Act relating to revenue and taxation; amending 68 O.S. 1991, Sections 1355, as last amended by Section 3, Chapter 337, O.S.L. 1995 and 6001, as last amended by Section 2, Chapter 344, O.S.L. 1996 (68 O.S. Supp. 1999, Sections 1355 and 6001), which relate to sales tax exemptions and aircraft excise taxes; exempting certain leases of aircraft from sales tax; modifying definition; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 1355, as last amended by Section 3, Chapter 337, O.S.L. 1995 (68 O.S. Supp. 1999, Section 1355), is amended to read as follows:

Exemptions - Subject to other tax.

Section 1355. There are hereby specifically exempted from the tax levied pursuant to the provisions of this article:

1. Sale of gasoline, motor fuel, methanol, "M-85" which is a mixture of methanol and gasoline containing at least eighty-five percent (85%) methanol, compressed natural gas, liquefied natural gas, or liquefied petroleum gas on which the Motor Fuel Tax, Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special Fuels Tax levied in Article 5, 6, or 7 of this title has been, or will be paid;

2. Sale of motor vehicles or any optional equipment or accessories attached to motor vehicles on which the Oklahoma Motor Vehicle Excise Tax levied in Article 21 of this title has been, or will be paid;

3. Sale of crude petroleum or natural or casinghead gas and other products subject to gross production tax pursuant to the provisions of Articles 10 and 11 of this title. This exemption shall not apply when such products are sold to a consumer or user for consumption or use, except when used for injection into the

earth for the purpose of promoting or facilitating the production of oil or gas. This paragraph shall not operate to increase or repeal the gross production tax levied by the laws of this state;

4. Sale of aircraft on which the tax levied pursuant to the provisions of Sections 6001 through 6004 of this title has been, or will be paid or which are specifically exempt from such tax pursuant to the provisions of Section 6003 of this title;

5. Sales from coin-operated devices on which the fee imposed by Sections 1501 through 1513 of this title has been paid;

6. Leases of twelve (12) months or more of motor vehicles in which the owners of the vehicles have paid the vehicle excise tax levied by Section 2103 of this title;

7. Sales of charity game equipment on which a tax is levied pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of Title 3A of the Oklahoma Statutes; ~~and~~

8. Sales of cigarettes or tobacco products to:

- a. a federally recognized Indian tribe or nation which has entered into a compact with the State of Oklahoma pursuant to the provisions of subsection C of Section 346 of this title or to a licensee of such a tribe or nation, upon which the payment in lieu of taxes required by the compact has been paid, or
- b. a federally recognized Indian tribe or nation or to a licensee of such a tribe or nation upon which the tax levied pursuant to the provisions of Section 349 or Section 426 of this title has been paid; and

9. Leases of aircraft upon which the owners have paid the aircraft excise tax levied by Section 6001 et seq. of this title or which are specifically exempt from such tax pursuant to the provisions of Section 6003 of this title.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 6001, as last amended by Section 2, Chapter 344, O.S.L. 1996 (68 O.S. Supp. 1999, Section 6001), is amended to read as follows:

Section 6001. As used in Section 6001 et seq. of this title:

1. "Aircraft" means and includes every self-propelled plane, airplane, helicopter, or balloon or sailplane manufactured by mass production or individually constructed or assembled, used, or designed for navigation or flight in the air or airspace, and subject to registration with the Federal Aviation Administration;

2. "Commercial airline" means an air carrier, foreign air carrier or intrastate air carrier, as defined by Section 40102 of Title 49 of the United States Code, 49 U.S.C., Section 40102, and operating pursuant to Part 121 or 129 of Title 14 of the Code of Federal Regulations, 14 CFR, Part 121 or 129, or conducting scheduled or unscheduled services pursuant to Part 135 thereof;

3. "Purchase price" means the total amount paid for the aircraft whether paid in money or otherwise. "Purchase price" is further defined as the fair market value when no current purchase is involved; and

4. "Use" means and includes the operation or basing of an aircraft on or from any airport in this state for a period of thirty (30) days or more. For purposes of Section 6001 et seq. of this article title, the term "use" does not ~~include~~ apply to aircraft which are intended for exclusive use in another state, but which are stored in this state pending shipment to such other state, or aircraft which are retained in this state solely for fabrication, repair, testing, alteration, modification, refurbishing or maintenance, ~~nor does the term "use" include aircraft which are operating within this state pursuant to the terms of a lease, the lease value of which is subject to the provisions of the Oklahoma Sales Tax Code, Section 1350 et seq. of this title.~~

SECTION 3. This act shall become effective July 1, 2000.

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

Passed the Senate the 16th day of May, 2000.

President of the Senate

Passed the House of Representatives the 17th day of May, 2000.

Speaker of the House of Representatives

