

CS for EHB 1734

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THE STATE SENATE  
Thursday, March 18, 1999

Committee Substitute for  
ENGROSSED  
House Bill No. 1734

COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 1734 - By: KIRBY, DEUTSCHENDORF, GLOVER, FIELDS, LINDLEY, PAULK, ROACH, ROBERTS, TAYLOR, TYLER, WEAVER, ADAIR, ASKINS, BEGLEY, BENGE, BENSON, BEUTLER, BLACKBURN, BONNY, BRADDOCK, BRYANT, CALVEY, CASE, CLAUNCH, COLLINS, CORN, COVEY, COX, DAVIS, DUNEGAN, FERGUSON, FRAME, GILBERT, GRAVES, HILLIARD, HUTCHISON, KINNAMON, LANGMACHER, MASS, MATLOCK, McCARTER, NATIONS, PLUNK, REESE, RICE, SEIKEL, SETTLE, SMITH (Dale), STAGGS, STANLEY, STITES, SWEEDEN, THOMAS, TOURE, TURNER, VAUGHN, WELLS and WORTHEN of the House and MADDOX, FISHER and HELTON of the Senate.

( revenue and taxation - amending 47 O.S., Section 1132 and 1141.1 - motor vehicle registration fee - amending 3 sections in Title 68 - apportionment of sales tax - repealing 6 sections in Title 68 - 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~~

1 annually thereafter, for the use of the avenues of public access  
2 within this state; and

3 ~~2. A fee, to be paid annually in lieu of all other taxes both~~  
4 ~~general and local, of one and one-quarter percent (1 1/4%) of the~~  
5 ~~factory delivered price (F.D.P.). For this purpose the factory~~  
6 ~~delivered price shall be rounded off to the nearest One Hundred~~  
7 ~~Dollars (\$100.00).~~

8 ~~After the first year's registration in this or any other state,~~  
9 ~~the fee shall be assessed at ninety percent (90%) of the fee~~  
10 ~~computed and assessed for the first year. Thereafter such fee shall~~  
11 ~~be computed and assessed at ninety percent (90%) of the previous~~  
12 ~~year's fee. The fee shall be so computed and assessed through the~~  
13 ~~twelfth year of registration. The fee thereafter through the~~  
14 ~~twentieth year of registration shall be the same as for the twelfth~~  
15 ~~year of registration. The fee provided by this paragraph shall not~~  
16 ~~be assessed after the twentieth year of registration. The fee~~  
17 ~~provided by this paragraph shall be paid annually for the vehicle~~  
18 ~~registered;~~

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

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

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

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

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

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

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

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

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

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

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

1           A. For the purpose of encouraging the voluntary disclosure and  
2 payment of motor vehicle fees and taxes owed to this state, the  
3 Oklahoma Tax Commission is hereby authorized beginning July 1, 1999,  
4 through September 30, 1999, to establish a tax amnesty program  
5 during which penalties imposed pursuant to the provisions of the  
6 Oklahoma Vehicle License and Registration Act and Section 2101 et  
7 seq. of Title 68 of the Oklahoma Statutes shall be waived if any  
8 taxpayer voluntarily registers a motor vehicle and pays all excise  
9 taxes and registration taxes or fees owed pursuant to the provisions  
10 of the Oklahoma Vehicle License and Registration Act or Section 2101  
11 et seq. of Title 68 of the Oklahoma Statutes. The waiver of  
12 penalties shall apply to the nonpayment of vehicle excise taxes and  
13 registration taxes or fees which are delinquent prior to July 1,  
14 1999.

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

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

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

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

4 Section 2103. A. 1. Except as otherwise provided in Sections  
5 2101 through 2108 of this title, there is hereby levied an excise  
6 tax upon the transfer of legal ownership of any vehicle registered  
7 in this state and upon the use of any vehicle registered in this  
8 state and upon the use of any vehicle registered for the first time  
9 in this state. The excise tax shall be levied at ~~three and~~  
10 ~~one-fourth percent (3 1/4%)~~ four and one-half percent (4.5%) of the  
11 value of each vehicle, except; for any truck or truck-tractor  
12 registered under the provisions of subsection A of Section 1133 of  
13 Title 47 of the Oklahoma Statutes, for a laden weight or combined  
14 laden weight of 54,001 pounds or more, and for any trailer or  
15 semitrailer registered under subsection C of Section 1133 of Title  
16 47 of the Oklahoma Statutes, which is primarily designed to  
17 transport cargo over the highways of this state and generally  
18 recognized as such, the excise tax shall be Ten Dollars (\$10.00).  
19 This exception shall not apply to special mobilized machinery,  
20 trailers, or semitrailers manufactured, modified or remanufactured  
21 for the purpose of providing services other than transporting cargo  
22 over the highways of this state. This exception shall also not  
23 apply to pickup trucks, vans, or sport utility vehicles.

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

15           B. The excise tax levied in subsection A of this section  
16 assessed on all commercial vehicles registered pursuant to Section  
17 1120 of Title 47 of the Oklahoma Statutes, as amended, shall be in  
18 lieu of all sales and use taxes levied under Articles 13 and 14 of  
19 this title. The transfer of legal ownership of any motor vehicle as  
20 used in this section and Articles 13 and 14 of this title shall  
21 include the lease, lease purchase or lease finance agreement  
22 involving any truck in excess of eight thousand (8,000) pounds  
23 combined laden weight or any truck-tractor provided the vehicle is

1 registered in Oklahoma pursuant to Section 1120 of Title 47 of the  
2 Oklahoma Statutes or any trailer, semitrailer or open commercial  
3 vehicle registered pursuant to Section 1133 of Title 47 of the  
4 Oklahoma Statutes, as amended. The excise tax levied herein shall  
5 not be subsequently collected at the end of the lease period if the  
6 lessee acquires complete legal title of the vehicle.

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

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

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

- 16 a. a new original vehicle which is stolen from the  
17 purchaser/registrator within ninety (90) days of the  
18 date of purchase of the original vehicle as certified  
19 by a police report or other documentation as required  
20 by the Commission, or
- 21 b. a defective new original vehicle returned by the  
22 purchaser/registrator to the seller within six (6)

1 months of the date of purchase of the defective new  
2 original vehicle as certified by the manufacturer.

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

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

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

18 B. The value of any ~~new vehicle, except those vehicles subject~~  
19 ~~to the tax levied pursuant to Section 4481 of Title 26 of the United~~  
20 ~~States Code, manufactured in the United States shall be the~~  
21 ~~manufacturer's price of such a vehicle delivered at the factory plus~~  
22 ~~the value of all extra or optional equipment and accessories~~  
23 ~~physically attached to such vehicle at the time of sale and sold as~~

1 ~~a part thereof minus any portion of the value of such optional~~  
2 ~~equipment and accessories deducted by the dealer at the time of sale~~  
3 ~~if such optional equipment and accessories are sold by the dealer as~~  
4 ~~a discount package. The value of such optional equipment and~~  
5 ~~accessories shall not be less than the manufacturer's suggested~~  
6 ~~retail selling price thereof or the manufacturer's factory price~~  
7 ~~thereof, whichever is the higher. Provided, that as to automobiles~~  
8 ~~the value of such optional equipment and accessories shall not be~~  
9 ~~less than the manufacturer's suggested retail selling price thereof~~  
10 ~~as shown or listed on the label or sticker required by the Act of~~  
11 ~~Congress known as the "Federal Disclosure of Automobile Information~~  
12 ~~Act" (15 U.S.C.A. Section 1231), which is required to be securely~~  
13 ~~affixed or attached on all new automobiles. A complete list of such~~  
14 ~~extra or optional equipment and accessories showing separately such~~  
15 ~~value of each item thereof or the total price of the discount~~  
16 ~~package shall be furnished by the seller to the purchaser of all new~~  
17 ~~vehicles. The total value of such optional equipment and~~  
18 ~~accessories, minus any portion of such value deducted by the dealer~~  
19 ~~at the time of sale if such optional equipment and accessories are~~  
20 ~~sold by the dealer as a discount package, and the factory delivered~~  
21 ~~price of the vehicle, which total shall be the basis of the motor~~  
22 ~~vehicle excise tax, for purposes of the excise tax levied by Section~~  
23 ~~2103 of this title, shall be the actual sales price of such vehicle~~

1 less any discounts, credits or allowances for a motor vehicle  
2 exchanged as part of the transaction. Such price shall be entered  
3 on the bill of sale furnished by the seller to the purchaser, or on  
4 such other form as may be prescribed by the Oklahoma Tax Commission.  
5 The seller shall also show thereon separately, for license fee rate  
6 purposes only, the factory delivered price of the vehicle without  
7 extra or optional equipment.

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

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

1       ~~E. For purposes of this section, the term "discount package"~~  
2 ~~shall mean optional equipment and accessories physically attached to~~  
3 ~~a vehicle which were selected and packaged together by the~~  
4 ~~manufacturer to be offered for sale at a reduced price. The seller~~  
5 ~~shall deliver to the buyer a copy of the label or sticker required~~  
6 ~~by the Act of Congress known as the "Federal Disclosure of~~  
7 ~~Automobile Information Act" (15 U.S.C.A. Section 1231) indicating a~~  
8 ~~discount package. The buyer shall deliver the copy to the Tax~~  
9 ~~Commission at time of application for title.~~

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

21       ~~G. The value of a used vehicle shall be sixty-five percent~~  
22 ~~(65%) of the new vehicle value of such vehicle, determined (as above~~  
23 ~~provided) for subsequent transfers in the first year and in the~~

1 ~~second year for which registered and sixty-five percent (65%) of the~~  
2 ~~value of the previous year, so fixed for each successive calendar~~  
3 ~~year for which such vehicle is registered and licensed in this, or~~  
4 ~~any other state, until such vehicle reaches a minimum value of Two~~  
5 ~~Hundred Fifty Dollars (\$250.00).~~

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

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

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

15 SECTION 5. It being immediately necessary for the preservation  
16 of the public peace, health and safety, an emergency is hereby  
17 declared to exist, by reason whereof this act shall take effect and  
18 be in full force from and after its passage and approval.

19 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 3-16-99 - DO PASS,  
20 As Amended.