

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

SENATE BILL 140

By: Williams

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Sections 1353 and 1403, as last amended by Sections 8 and 9, Chapter 254, O.S.L. 1999 (68 O.S. Supp. 2000, Sections 1353 and 1403), which relate to sales and use taxes; stating legislative intent; specifying apportionment of certain revenues; creating Next-Grade Readiness Revolving Fund; providing for deposits to and expenditures from fund; providing for codification; providing for noncodification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

It is the intent of the Legislature that, contingent upon action by the United States Supreme Court or other courts, the United States Congress, enactment of state law, enforcement by the Oklahoma Tax Commission, or voluntary compliance by vendors, allowing or enhancing the ability of this state to collect existing taxes levied on transactions when the vendor lacks nexus within this state, that existing sales and use taxes levied by this state and its political subdivisions be collected and apportioned irrespective of whether the vendor is a local merchant, an out-of-state catalog company or an entity that markets its products through the internet or mass media. It is the further intent of the Legislature that future revenues derived from state sales and use taxes that are currently levied but are not currently being collected or are unenforceable be targeted to investments in the education of our state's children for the purpose of improving student learning and our state as a whole.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 1353, as last amended by Section 8, Chapter 254, O.S.L. 1999 (68 O.S. Supp. 2000, Section 1353), is amended to read as follows:

Section 1353. ~~It~~ A. Except as otherwise provided in subsection B of this section, it is hereby declared to be the purpose of the Oklahoma Sales Tax Code ~~to provide funds for the financing of the program provided for by the Oklahoma Social Security Act and to~~ provide revenues for the support of the functions of the state government of Oklahoma, and for this purpose it is hereby expressly provided that, for the fiscal year beginning July 1, 1999, and for each fiscal year thereafter, revenues derived pursuant to the provisions of the Oklahoma Sales Tax Code shall be apportioned as follows:

1. Eighty-six and four one-hundredths percent (86.04%) shall be paid to the State Treasurer to be placed to the credit of the General Revenue Fund to be paid out pursuant to direct appropriation by the Legislature;

2. Ten and forty-two one-hundredths percent (10.42%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education; and

3. Three and fifty-four one-hundredths percent (3.54%) shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund; ~~provided, when the total deposits to such Fund from all sources exceed One Hundred Thirty-six Million Dollars (\$136,000,000.00) for the fiscal year beginning July 1, 1999, any funds received in the fiscal year beginning July 1, 1999, in excess of such amount shall be paid to the State Treasurer to be placed to the credit of the General Revenue Fund.~~

B. For the fiscal year beginning July 1, 2001, and for each fiscal year thereafter, all revenue from the tax levied by Section

1352 of this title on sales of tangible personal property which, as of the effective date of this act, is not being collected or is unenforceable due to circumstances relating to the nexus or lack thereof of a vendor, or is not being collected or is subject to a ban or moratorium under the federal Internet Tax Freedom Act or other similar federal law, shall be apportioned to the Next-Grade Readiness Revolving Fund created in Section 4 of this act.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 1403, as last amended by Section 9, Chapter 254, O.S.L. 1999 (68 O.S. Supp. 2000, Section 1403), is amended to read as follows:

Section 1403. ~~It~~ A. Except as otherwise provided in subsection B of this section, it is hereby declared to be the purpose of this article to provide for the support of the functions of the state and local government of Oklahoma; and for this purpose and to this end, it is hereby expressly provided that, for the fiscal year beginning July 1, 1999, and for each fiscal year thereafter, the revenues derived hereunder are hereby apportioned as follows:

1. Eighty-five and thirty-five one-hundredths percent (85.35%) shall be paid by the Oklahoma Tax Commission to the State Treasurer and placed to the credit of the General Revenue Fund to be paid out pursuant to direct appropriation by the Legislature;

2. Eleven and eleven one-hundredths percent (11.11%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education; and

3. Three and fifty-four one-hundredths percent (3.54%) shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund; ~~provided, when the total deposits to such Fund from all sources exceed One Hundred Thirty-six Million Dollars (\$136,000,000.00) for the fiscal year beginning July 1, 1999, any funds received in the fiscal year beginning July 1, 1999, in excess of such amount shall~~

~~be paid to the State Treasurer to be placed to the credit of the General Revenue Fund.~~

B. For the fiscal year beginning July 1, 2001, and for each fiscal year thereafter, all revenue from the tax levied by Section 1402 of this title on the storage, use or other consumption of tangible personal property which, as of the effective date of this act, is not being collected or is unenforceable due to circumstances relating to the nexus or lack thereof of a vendor, or is not being collected or is subject to a ban or moratorium under the federal Internet Tax Freedom Act or other similar federal law, shall be apportioned to the Next-Grade Readiness Revolving Fund created in Section 4 of this act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 41.29g of Title 62, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the State Department of Education to be designated the "Next-Grade Readiness Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies apportioned thereto pursuant to the provisions of subsection B of Section 1353 of Title 68 of the Oklahoma Statutes and subsection B of Section 1403 of Title 68 of the Oklahoma Statutes. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department for the purpose of funding summer academies or other programs relating to next-grade readiness pursuant to the provisions of Section 1210.508E of Title 70 of the Oklahoma Statutes. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 5. This act shall become effective July 1, 2001.

SECTION 6. 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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