

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1789

By: Dank

COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; creating the Task Force for the Study of Tribal Tax Advantages; providing for membership of Task Force; providing for organization of Task Force; stating quorum requirement; stating purposes of Task Force; requiring findings and recommendations; providing for applicability of Oklahoma Open Meeting Act; providing for staff assistance; providing for travel reimbursement; requiring final report; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 7001 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Task Force for the Study of Tribal Tax Advantages.

B. The Task Force shall consist of nine (9) members to be appointed as follows:

1. Three members shall be appointed by the Governor;

2. Three members shall be appointed by the Speaker of the Oklahoma House of Representatives; and

3. Three members shall be appointed by the President Pro Tempore of the State Senate.

C. The members of the Task Force shall select from their membership a chair and vice-chair. A simple majority of the members of the Task Force present at a meeting shall be required for any affirmative action of the Task Force.

D. The purpose of the Task Force shall be to:

1. Determine the extent of state and local tax advantages available to Native American tribes or business enterprises, with an emphasis on tax or other economic advantages for such tribes or tribal business enterprises such as the business activity governed by the Indian Gaming Regulatory Control Act, the operation of smokeshops or the operation of wholesale or retail businesses involving the sale of motor fuel;

2. Locate, to the extent practical, the areas within the State of Oklahoma that allow a federally recognized Indian tribe or a business entity organized by or for the benefit of a federally recognized Indian tribe to conduct business in a manner that takes advantage of immunity from the levy of state or local taxes, either upon the tribe directly or that allows the tribe or tribal operation to sell goods or services without the imposition of a state or local tax levy upon the consumer in the transaction;

3. Make findings and recommendations concerning the extent of the competitive disadvantage for business entities within the State of Oklahoma that are subject to state and local sales tax, or which are required to collect a state or local tax from their purchasers, and methods to attempt to reduce the extent of competitive disadvantages resulting from tax immunity available to federally recognized Indian tribes or related business pursuant to federal statutory law or cases decided by the United States Supreme Court;

4. Make specific recommendations regarding possible state or local incentives that could be developed or enacted and made available to business entities that do not have immunity pursuant to federal statutory provisions or interpretations by the United States Supreme Court from state or local taxation and which compete with a federally recognized Indian tribe or tribally related business enterprise within a geographic or market area that places the

nontribal business activity at a competitive or price disadvantage;
and

5. Gather and compile information related to the revenue loss to the State of Oklahoma and its political subdivisions resulting from expansion of business activity within Indian country or the addition of areas within the State of Oklahoma that become Indian country and the effect of state or local tax immunity for tribal business operations on nontribal business activity within the state.

E. The Task Force shall be subject to the provisions of the Oklahoma Open Meeting Act.

F. Staff assistance for the Task Force shall be provided by the Oklahoma House of Representatives and Oklahoma Senate staff. The Oklahoma Tax Commission, the Oklahoma Department of Commerce and such other state agencies as may be applicable to the issues studied by the Task Force shall provide such assistance and information as may be required.

G. Travel reimbursement shall be the responsibility of the appointing authority. Legislators appointed to the Task Force shall be reimbursed for travel pursuant to Section 456 of Title 74 of the Oklahoma Statutes.

H. The Task Force shall make its findings and recommendations in a final report which shall be submitted to the Governor, the Speaker of the Oklahoma House of Representatives and the President Pro Tempore of the State Senate not later than January 15, 2006.

SECTION 2. 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.