STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1381 By: Brown

AS INTRODUCED

An Act relating to revenue and taxation; providing exemption from tax for use of diesel fuel by certain persons; providing for payment of fee in lieu of tax; liming amount of fuel exempt; requiring for application for decal; providing for annual expiration of decal; prohibiting transfer of decal; providing penalties for late payment of fee; defining term; providing for codification; and providing an effective date.

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 500.4B of Title 68, unless there is created a duplication in numbering, reads as follows:

A. Beginning January 1, 2006, in lieu of the fuel tax imposed by paragraph 2 of subsection A of Section 500.4 of Title 68 of the Oklahoma Statutes, there is hereby levied a flat fee of Fifty Dollars ($50.00) on the first three thousand (3000) gallons of diesel fuel from a fuel wagon used by a pickup truck or van not exceeding one (1) ton in capacity and each vehicle exceeding one (1) ton in capacity that are used within seventy-five (75) miles of an agricultural operation.

B. Every person operating a vehicle using diesel fuel shall make application for and obtain a decal to be issued on a yearly basis by the Oklahoma Tax Commission on forms prescribed and furnished by the Tax Commission.

C. Every person required to make application for and receive a decal under this section shall, at the time of making said

application, remit to the Tax Commission the total amount of the fee due.

D. Each decal issued by the Tax Commission pursuant to the provisions of this section, shall expire on December 31 of every year, and in addition thereto said decals shall be displayed in the lower right hand corner of the front windshield of said vehicle. Upon receipt of satisfactory proof by the Tax Commission that it has become necessary to replace the windshield of the vehicle for which the decal was issued, another decal shall be issued by the Tax Commission as a replacement for a fee of One Dollar ($1.00).

E. When any vehicle using diesel fuel and displaying a current decal as provided in this section is sold, such decal shall be removed from the vehicle.

F. All funds derived from the fee imposed by subsection A of this section shall be deposited annually in the General Revenue Fund of the State Treasury by the Tax Commission. When any person fails to obtain a current decal within thirty (30) days of the date said decal is required as provided in this section, there shall become due and payable a penalty of twenty percent (20%) of the fee in addition to the fee. Said penalty to be deposited in the same manner as the fee pursuant to this subsection.

G. As used in this section, "agricultural operation" means the planting, raising, growing or harvesting of agricultural products or the raising of livestock.

SECTION 2. This act shall become effective January 1, 2006.

50-1-5619 DLW 01/16/05