

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1577

By: Piatt

AS INTRODUCED

An Act relating to revenue and taxation; ordering a legislative referendum pursuant to the Oklahoma Constitution; amending 68 O.S. 2001, Sections 500.4 and 500.6a, which relate to the Motor Fuel Tax Code; increasing tax on fuels used for aircraft; increasing tax in two phases; updating language; deleting obsolete language; providing an effective date; providing ballot title; and directing filing.

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

SECTION 1. Pursuant to Section 3 of Article V of the Oklahoma Constitution, there is hereby ordered the following legislative referendum which shall be filed with the Secretary of State and addressed to the Governor of the state, who shall submit the same to the people for their approval or rejection at the next General Election.

SECTION 2. AMENDATORY 68 O.S. 2001, Section 500.4, is amended to read as follows:

Section 500.4 A. A tax is imposed on all gasoline and all diesel fuel used or consumed in this state as follows:

1. Gasoline, sixteen cents (\$0.16) per gallon; and
2. Diesel fuel, thirteen cents (\$0.13) per gallon.

B. A tax is imposed on all gasoline, diesel fuel and kerosene used or consumed in this state for use as fuel to generate power in aircraft engines or for training, testing or research on aircraft engines ~~in the~~. The amount of the tax shall be eight one-hundredths of one cent (\$0.0008) per gallon. Effective January 1, 2007, through December 31, 2008, the amount of the tax shall be eight-tenths of one cent (\$0.008) per gallon. Effective January 1, 2009,

and thereafter, the amount of the tax shall be one cent (\$0.01) per gallon. All gasoline, diesel fuel and kerosene sold for use under this subsection shall not be subject to the excise tax levied in subsection A of this section.

C. Notwithstanding any exemption provided in Section 500.1 et seq. of this title, all gasoline used or consumed in this state for use as fuel for farm tractors or stationary engines and used exclusively for agricultural purposes shall be subject to a tax in the amount of two and eight one-hundredths cents (\$0.0208) per gallon. All gasoline sold for use pursuant to this subsection shall not be subject to the excise tax levied in subsection A of this section. The term "farm tractor", as used herein, shall include all tractor-type, motorized farm implements and equipment but shall not include motor vehicles of the truck-type, pickup truck-type, automobiles and other motor vehicles required to be registered and licensed each year under the Oklahoma Vehicle License and Registration Act.

D. It is the intent of this section to amend, revise, incorporate and recodify the tax imposed on motor fuel and that the tax shall be conclusively presumed to be a direct tax and shall be a direct tax on the retail or ultimate consumer precollected for the purpose of convenience and facility to the consumer. The levy and assessment on other persons as specified in this act shall be as agents of the state for the precollection of the tax. The provisions of this section shall in no way affect the method of collecting the tax as provided in this act. The tax imposed by this section shall be collected and paid at those times, in the manner, and by those persons specified in this act.

SECTION 3. AMENDATORY 68 O.S. 2001, Section 500.6a, is amended to read as follows:

Section 500.6a All revenue from the tax ~~of eight one-hundredths of one cent (\$0.0008) per gallon~~ imposed pursuant to the provisions

of subsection B of Section 500.4 of Title 68 of the Oklahoma Statutes, and penalties and interest thereon, collected by the Oklahoma Tax Commission shall be apportioned and distributed monthly as follows:.

~~1. For the fiscal year beginning July 1, 1999, one-third shall be paid to the State Treasurer and placed to the credit of the Oklahoma Aeronautics Commission Revolving Fund and two-thirds shall be apportioned pursuant to the provisions of Section 500.6 of Title 68 of the Oklahoma Statutes;~~

~~2. For the fiscal year beginning July 1, 2000, two-thirds shall be paid to the State Treasurer and placed to the credit of the Oklahoma Aeronautics Commission Revolving Fund and one-third shall be apportioned pursuant to the provisions of Section 500.6 of Title 68 of the Oklahoma Statutes; and~~

~~3. For the fiscal year beginning July 1, 2001, and for each fiscal year thereafter, all such revenue shall be paid to the State Treasurer and placed to the credit of the Oklahoma Aeronautics Commission Revolving Fund.~~

SECTION 4. This act shall become effective January 1, 2007.

SECTION 5. The Ballot Title for the proposed amendment as set forth in SECTIONS 2 and 3 of this bill shall be in the following form:

BALLOT TITLE

Legislative Referendum No. _____ State Question No. _____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

The measure increases the tax on fuel used by aircraft. The tax is increased in two stages. The first increase makes the tax eight-tenths of one cent per gallon. This rate lasts for two years. The second increase raises the tax to one cent per gallon. The measure deletes obsolete language. The tax increase becomes effective January 1, 2007.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL - YES _____

AGAINST THE PROPOSAL - NO _____

SECTION 6. The Chief Clerk of the House of Representatives, immediately after the passage of this act, shall prepare and file one copy thereof, including the Ballot Title set forth in SECTION 5 hereof, with the Secretary of State and one copy with the Attorney General.

50-1-6344 DLW 01/12/05