

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 1149 By: Barrington of the Senate
3 and
4 Armes of the House
5
6
7

8 (revenue and taxation - modifying certain
9 exemption - codification -
10 effective date)
11
12

13 AUTHORS: Add the following House Coauthors: Jett, Terrill, Dank,
14 Enns, Kern, Faught and McDaniel (Randy)

15 AMENDMENT NO. 1. Strike the stricken title, enacting clause and
16 entire bill and insert

17 "(revenue and taxation - modifying certain
18 exemption - effective date -
19 emergency)
20
21

22 SECTION 1. AMENDATORY Section 3, Chapter 136, O.S.L.
23 2007 (68 O.S. Supp. 2007, Section 1357.10), is amended to read as
24 follows:

1 Section 1357.10 A. The sale of an article of clothing or
2 footwear designed to be worn on or about the human body and the sale
3 of any school supply, school art supply or school instructional
4 material shall be exempt from the tax imposed by Section 1354 of
5 ~~Title 68 of the Oklahoma Statutes~~ this title if:

6 1. The sales price of the article, supply or material is less
7 than One Hundred Dollars (\$100.00); and

8 2. The sale takes place during a period beginning at 12:01 a.m.
9 on the first Friday in August and ending at 12 midnight on the
10 following Sunday, covering a period of three (3) days.

11 B. Subsection A of this section shall not apply to:

12 1. Any special clothing or footwear that is primarily designed
13 for athletic activity or protective use and that is not normally
14 worn except when used for athletic activity or protective use for
15 which it is designed;

16 2. Accessories, including jewelry, handbags, luggage,
17 umbrellas, wallets, watches, and similar items carried on or about
18 the human body, without regard to whether worn on the body in a
19 manner characteristic of clothing; ~~and~~

20 3. The rental of clothing or footwear; and

21 4. Computers or school computer supplies as defined in the
22 Streamlined Sales and Use Tax Agreement.

23 C. For purposes of this section:
24

1 1. "School supply" means an item commonly used by a student in
2 a course of study;

3 2. "School art supply" means an item commonly used by a student
4 in a course of study for artwork; and

5 3. "School instructional material" means written material
6 commonly used by a student in a course of study as a reference and
7 to learn the subject being taught.

8 D. The Oklahoma Tax Commission shall promulgate any necessary
9 rules to implement the provisions of this section. Any rules
10 pertaining to the exemption for school supplies, school art supplies
11 and school instructional materials shall be consistent with the
12 Streamlined Sales and Use Tax Agreement.

13 SECTION 2. AMENDATORY Section 5, Chapter 136, O.S.L.
14 2007 (68 O.S. Supp. 2007, Section 1377), is amended to read as
15 follows:

16 Section 1377. The sales tax imposed by any county or authority
17 authorized by law to levy a sales tax shall not be imposed upon the
18 sale of an article of clothing or footwear designed to be worn on or
19 about the human body in accordance with and to the extent set forth
20 in Section ~~3~~ 1357.10 of this ~~act~~ title. The sales tax imposed by
21 any county or authority authorized by law to levy a sales tax shall
22 not be imposed upon the sale of any school supply, school art supply
23 or school instructional material in accordance with and to the
24 extent set forth in Section 1357.10 of this title.

1 SECTION 3. AMENDATORY 68 O.S. 2001, Section 2701, as
2 last amended by Section 6, Chapter 136, O.S.L. 2007 (68 O.S. Supp.
3 2007, Section 2701), is amended to read as follows:

4 Section 2701. A. Any incorporated city or town in this state
5 is hereby authorized to assess, levy, and collect taxes for general
6 and special purposes of municipal government as the Legislature may
7 levy and collect for purposes of state government, subject to the
8 provisions of subsection F of this section, except ad valorem
9 property taxes. Provided:

10 1. Taxes shall be uniform upon the same class subjects, and any
11 tax, charge, or fee levied upon or measured by income or receipts
12 from the sale of products or services shall be uniform upon all
13 classes of taxpayers;

14 2. Motor vehicles may be taxed by the city or town only when
15 such vehicles are primarily used or located in such city or town for
16 a period of time longer than six (6) months of a taxable year;

17 3. The provisions of this section shall not be construed to
18 authorize imposition of any tax upon persons, firms, or corporations
19 exempted from other taxation under the provisions of Sections 348.1,
20 624 and 321 of Title 36 of the Oklahoma Statutes, by reason of
21 payment of taxes imposed under such sections;

22 4. Cooperatives and communications companies are hereby
23 authorized to pass on to their subscribers in the incorporated city
24 or town involved, the amount of any special municipal fee, charge or

1 tax hereafter assessed or levied on or collected from such
2 cooperatives or communications companies;

3 5. No earnings, payroll or income taxes may be levied on
4 nonresidents of the cities or towns levying such tax;

5 6. The governing body of any city or town shall be prohibited
6 from proposing taxing ordinances more often than three times in any
7 calendar year, or twice in any six-month period; and

8 7. Any revenues derived from a tax authorized by this
9 subsection not dedicated to a limited purpose shall be deposited in
10 the municipal general fund.

11 B. A sales tax authorized in subsection A of this section may
12 be levied for limited purposes specified in the ordinance levying
13 the tax. Such ordinance shall be submitted to the voters for
14 approval as provided in Section 2705 of this title. Any sales tax
15 levied or any change in the rate of a sales tax levied pursuant to
16 the provisions of this section shall become effective on the first
17 day of the calendar quarter following approval by the voters of the
18 city or town unless another effective date, which shall also be on
19 the first day of a calendar quarter, is specified in the ordinance
20 levying the sales tax or changing the rate of sales tax. Such
21 ordinance shall describe with specificity the projects or
22 expenditures for which the limited-purpose tax levy would be made.
23 The municipal governing body shall create a limited-purpose fund and
24 deposit therein any revenue generated by any tax levied pursuant to

1 this subsection. Money in the fund shall be accumulated from year
2 to year. The fund shall be placed in an insured interest-bearing
3 account and the interest which accrues on the fund shall be retained
4 in the fund. The fund shall be nonfiscal and shall not be
5 considered in computing any levy when the municipality makes its
6 estimate to the excise board for needed appropriations. Money in
7 the limited-purpose tax fund shall be expended only as accumulated
8 and only for the purposes specifically described in the taxing
9 ordinance as approved by the voters.

10 C. The Oklahoma Tax Commission shall give notice to all vendors
11 of a rate change at least sixty (60) days prior to the effective
12 date of the rate change. Provided, for purchases from printed
13 catalogs wherein the purchaser computed the tax based upon local tax
14 rates published in the catalog, the rate change shall not be
15 effective until the first day of a calendar quarter after a minimum
16 of one hundred twenty (120) days' notice to vendors. Failure to
17 give notice as required by this section shall delay the effective
18 date of the rate change to the first day of the next calendar
19 quarter.

20 D. The change in the boundary of a municipality shall be
21 effective, for sales and use tax purposes only, on the first day of
22 a calendar quarter after a minimum of sixty (60) days' notice to
23 vendors.

24

1 E. If the proceeds of any sales tax levied by a municipality
2 pursuant to subsection B of this section are being used by the
3 municipality for the purpose of retiring indebtedness incurred by
4 the municipality or by a public trust of which the municipality is a
5 beneficiary for the specific purpose for which the sales tax was
6 imposed, the sales tax shall not be repealed until such time as the
7 indebtedness is retired. However, in no event shall the life of the
8 tax be extended beyond the duration approved by the voters of the
9 municipality. The provisions of this subsection shall apply to all
10 sales tax levies imposed by a municipality and being used by the
11 municipality for the purposes set forth in this subsection prior to
12 or after July 1, 1995.

13 F. The sale of an article of clothing or footwear designed to
14 be worn on or about the human body shall be exempt from the sales
15 tax imposed by any incorporated city or town, in accordance with and
16 to the extent set forth in Section 3 1357.10 of this ~~act~~ title. The
17 sale of any school supply, school art supply or school instructional
18 material shall be exempt from the sales tax imposed by any
19 incorporated city or town, in accordance with and to the extent set
20 forth in Section 1357.10 of this title.

21 SECTION 4. This act shall become effective July 1, 2008.

22 SECTION 5. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby
24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval."

3 Passed the House of Representatives the 22nd day of April, 2008.

4

5

6 Presiding Officer of the House of
7 Representatives

8 Passed the Senate the ____ day of _____, 2008.

9

10

11

Presiding Officer of the Senate

12

13

14

15

16

17

18

19

20

21

22

23

24