

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SENATE BILL 1322

By: Sparks of the Senate

4 and

5 Hilliard of the House

6
7
8
9 AS INTRODUCED

10 An Act relating to revenue and taxation; providing
11 short title; providing an exemption from sales tax
12 for any handgun, rifle or shotgun during specified
13 time period; amending Section 5, Chapter 136, O.S.L.
14 2007 and 68 O.S. 2001, Section 2701, as last amended
15 by Section 6, Chapter 136, O.S.L. 2007 (68 O.S. Supp.
16 2009, Sections 1377 and 2701), which relate to sales
17 tax; prohibiting the imposition of county or
18 authority sales tax on certain items under specified
19 conditions; providing exemption from sales tax
20 imposed by city or town for certain items under
21 specified conditions; providing for codification;
22 providing for noncodification; providing an effective
23 date; and declaring an emergency.

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

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

22 This act shall be known and may be cited as the "Second
23 Amendment Weekend Sales Tax Holiday Act".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1357.11 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. Before January 1, 2014, the sale of a handgun, rifle or
5 shotgun shall be exempt from the tax imposed by Section 1354 of
6 Title 68 of the Oklahoma Statutes if the sale takes place during a
7 period beginning at 12:01 a.m. on the third Friday in August and
8 ending at 12 midnight on the following Sunday, covering a period of
9 three (3) days.

10 SECTION 3. AMENDATORY Section 5, Chapter 136, O.S.L.
11 2007 (68 O.S. Supp. 2009, Section 1377), is amended to read as
12 follows:

13 Section 1377. The sales tax imposed by any county or authority
14 authorized by law to levy a sales tax shall not be imposed upon the
15 sale of an article of clothing or footwear designed to be worn on or
16 about the human body in accordance with and to the extent set forth
17 in Section 3 of this act 1357.10 of this title or the sale of any
18 handgun, rifle or shotgun in accordance with and to the extent set
19 forth in Section 1 of this act.

20 SECTION 4. AMENDATORY 68 O.S. 2001, Section 2701, as
21 last amended by Section 6, Chapter 136, O.S.L. 2007 (68 O.S. Supp.
22 2009, Section 2701), is amended to read as follows:

23 Section 2701. A. Any incorporated city or town in this state
24 is hereby authorized to assess, levy, and collect taxes for general

1 and special purposes of municipal government as the Legislature may
2 levy and collect for purposes of state government, subject to the
3 provisions of subsection F of this section, except ad valorem
4 property taxes. Provided:

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

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

12 3. The provisions of this section shall not be construed to
13 authorize imposition of any tax upon persons, firms, or corporations
14 exempted from other taxation under the provisions of Sections 348.1,
15 624 and 321 of Title 36 of the Oklahoma Statutes, by reason of
16 payment of taxes imposed under such sections;

17 4. Cooperatives and communications companies are hereby
18 authorized to pass on to their subscribers in the incorporated city
19 or town involved, the amount of any special municipal fee, charge or
20 tax hereafter assessed or levied on or collected from such
21 cooperatives or communications companies;

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

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

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

7 B. A sales tax authorized in subsection A of this section may
8 be levied for limited purposes specified in the ordinance levying
9 the tax. Such ordinance shall be submitted to the voters for
10 approval as provided in Section 2705 of this title. Any sales tax
11 levied or any change in the rate of a sales tax levied pursuant to
12 the provisions of this section shall become effective on the first
13 day of the calendar quarter following approval by the voters of the
14 city or town unless another effective date, which shall also be on
15 the first day of a calendar quarter, is specified in the ordinance
16 levying the sales tax or changing the rate of sales tax. Such
17 ordinance shall describe with specificity the projects or
18 expenditures for which the limited-purpose tax levy would be made.
19 The municipal governing body shall create a limited-purpose fund and
20 deposit therein any revenue generated by any tax levied pursuant to
21 this subsection. Money in the fund shall be accumulated from year
22 to year. The fund shall be placed in an insured interest-bearing
23 account and the interest which accrues on the fund shall be retained
24 in the fund. The fund shall be nonfiscal and shall not be

1 considered in computing any levy when the municipality makes its
2 estimate to the excise board for needed appropriations. Money in
3 the limited-purpose tax fund shall be expended only as accumulated
4 and only for the purposes specifically described in the taxing
5 ordinance as approved by the voters.

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

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

20 E. If the proceeds of any sales tax levied by a municipality
21 pursuant to subsection B of this section are being used by the
22 municipality for the purpose of retiring indebtedness incurred by
23 the municipality or by a public trust of which the municipality is a
24 beneficiary for the specific purpose for which the sales tax was

1 imposed, the sales tax shall not be repealed until such time as the
2 indebtedness is retired. However, in no event shall the life of the
3 tax be extended beyond the duration approved by the voters of the
4 municipality. The provisions of this subsection shall apply to all
5 sales tax levies imposed by a municipality and being used by the
6 municipality for the purposes set forth in this subsection prior to
7 or after July 1, 1995.

8 F. The sale of an article of clothing or footwear designed to
9 be worn on or about the human body shall be exempt from the sales
10 tax imposed by any incorporated city or town, in accordance with and
11 to the extent set forth in Section ~~3 of this act~~ 1357.10 of this
12 title and the sale of any handgun, rifle or shotgun in accordance
13 with and to the extent set forth in Section 1 of this act.

14 SECTION 5. This act shall become effective July 1, 2010.

15 SECTION 6. It being immediately necessary for the preservation
16 of the public peace, health and safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

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