

05/23/2012 12:10:59 PM

HOUSE OF REPRESENTATIVES  
CONFERENCE COMMITTEE REPORT

Mr. President:  
Mr. Speaker:

The Conference Committee, to which was referred

**HB2616**

By: Johnson of the House and Sykes of the Senate

Title: Revenue and taxation; creating sales tax exemption for durable medical equipment;  
effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

That the Senate recede from its Senate Amendments No. 1 and No. 2 and that the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

**HOUSE CONFEREES**

Armes \_\_\_\_\_ Sears

Earl Sears

Billy ~~\_\_\_\_\_~~ Walker

Ermy D. Walker

Blackwell \_\_\_\_\_

Brown \_\_\_\_\_

Cox Douglas G. Cox M.P.

Dank David M. Dank

DeWitt \_\_\_\_\_

Denney \_\_\_\_\_

Dorman \_\_\_\_\_

Hoskin \_\_\_\_\_

Liebmann \_\_\_\_\_

Martin (Scott) \_\_\_\_\_

McPeak \_\_\_\_\_

Nelson \_\_\_\_\_

Peters \_\_\_\_\_

HB2616 CCR B

**SENATE CONFEREES**

Ballenger

*[Handwritten signature]*

Branan

Brinkley

*[Handwritten signature]*

Burrage

Crain

*[Handwritten signature]*

David

*[Handwritten signature]*

Ford

*[Handwritten signature]*

Griffin

*[Handwritten signature]*

Halligan

*[Handwritten signature]*

Ivester

Jolley

*[Handwritten signature]*

Justice

*[Handwritten signature]*

Marlatt

Mazzei

McAffrey

*[Handwritten signature]*

Newberry

Nichols

Paddack

*[Handwritten signature]*

Stanislawski

*[Handwritten signature]*

Sykes

*[Handwritten signature]*

Wilson

Wyrick

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 CONFERENCE COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 HOUSE BILL NO. 2616

By: Johnson and Pittman of the  
House

7 and

Sykes of the Senate

8  
9  
10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to revenue and taxation; amending 68  
12 O.S. 2011, Section 1364.1, which relates to  
13 remittance of sale tax; modifying eligibility to  
14 obtain direct payment permit; eliminating fee;  
15 allowing extended reporting period under certain  
16 circumstances; prescribing qualifications for direct  
17 payment permit; specifying accounting method.

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

19 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1364.1, is  
20 amended to read as follows:

21 Section 1364.1 A. Every person who ~~makes purchases of Eight~~  
22 ~~Hundred Thousand Dollars (\$800,000.00) or more annually in taxable~~  
23 ~~items for use in Oklahoma enterprises~~ qualifies pursuant to  
24 subsection B of this section and desires to directly remit the taxes  
due under Section 1350 et seq. of this title or Section 1401 et seq.

1 of this title to the Oklahoma Tax Commission rather than remit such  
2 taxes to the vendor may apply to the Tax Commission for a direct  
3 payment permit. The permit shall be valid for three (3) years ~~and~~  
4 ~~the fee for the permit shall be Twenty Dollars (\$20.00).~~ Each such  
5 person shall file with the Tax Commission an application for a  
6 direct payment permit, setting forth such information as the Tax  
7 Commission may require, including but not limited to:

8 1. An agreement that is signed by the owner of the business or  
9 representative of the business entity and as a natural person, and,  
10 in the case of a corporation, as a legally constituted officer  
11 thereof, that provides that the applicant agrees to:

12 a. accrue and remit all taxes imposed by Section 1350 et  
13 seq. of this title or Section 1401 et seq. of this  
14 title on the sale or use of all taxable personal  
15 property or services sold to or leased or rented by  
16 the applicant,

17 b. pay such taxes as required by Section 1365 of this  
18 title. Provided, in lieu of monthly reports, persons  
19 qualifying pursuant to paragraph 2 of subsection B of  
20 this section owing an average per month of Five  
21 Hundred Dollars (\$500.00) or less may file quarterly  
22 reports and remit taxes due thereunder to the Tax  
23 Commission on or before the twentieth day of month  
24 following the calendar quarter. If not paid on or

1           before the twentieth day of such month, the tax shall  
2           be delinquent,

3           c.   waive the discount permitted by Section 1367.1 of this  
4           title on the payment of all taxes remitted directly to  
5           the Tax Commission; and

6           2.   A description of the accounting method by which the  
7           applicant proposes to differentiate between taxable and exempt  
8           transactions.

9           Upon verification that the applicant is eligible to receive a  
10          direct payment permit, the Tax Commission shall issue a direct  
11          payment permit for the place of business set forth in the  
12          application for the permit. The Tax Commission shall be the sole  
13          judge of the applicant's qualifications and may refuse to issue a  
14          direct payment permit to an applicant. An applicant who has been  
15          denied the issuance of a permit may submit an amended application or  
16          may submit a new application after a reasonable period of time after  
17          the denial of the original application.

18          B. The following persons shall qualify for a direct payment  
19          permit as provided in subsection A of this section:

20           1. Every person who makes purchases of Eight Hundred Thousand  
21           Dollars (\$800,000.00) or more annually in taxable items for use in  
22           Oklahoma enterprises; or

23           2. Every person who makes purchases of drugs for the treatment  
24           of human beings, medical appliances, medical devices and other

1 medical equipment including but not limited to corrective  
2 eyeglasses, contact lenses, hearing aids, prosthetic devices,  
3 durable medical equipment, and mobility enhancing equipment for  
4 administration or distribution by a practitioner, as defined in  
5 subsection B of Section 1357.6 of this title, who is authorized by  
6 law to administer or distribute such items and the cost of such  
7 items will be reimbursed under the Medicare or Medicaid Program.

8 C. For exempt purchases made by persons that have been issued a  
9 permit under paragraph 2 of subsection B of this section, the Tax  
10 Commission shall accept the following information, maintained  
11 separate from confidential patient records, as an acceptable  
12 accounting method by which the applicant documents the purchase of  
13 items exempt under Section 1357.6 of this title:

- 14 1. Patient case number or account number;
- 15 2. Type of insurance; and
- 16 3. Item description or product number.

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18 53-2-10510 CJB 05/14/12  
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