

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1254

By: Allen

4  
5 AS INTRODUCED

6 An Act relating to vehicle excise tax; amending 68  
7 O.S. 2011, Section 2105, which relates to exemptions  
8 from excise tax; adding exemption for certain trade-  
9 in transactions; and providing an effective date.

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

11 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2105, is  
12 amended to read as follows:

13 Section 2105. An original or a transfer certificate of title  
14 shall be issued without the payment of the excise tax levied by  
15 Section 2101 et seq. of this title for:

16 1. Any vehicle owned by a nonresident person who operates  
17 principally in some other state but who is in Oklahoma only  
18 occasionally;

19 2. Any vehicle brought into this state by a person formerly  
20 living in another state, who has owned and registered the vehicle in  
21 such other state of residence at least sixty (60) days prior to the  
22 time it is required to be registered in this state; provided,  
23 however, this paragraph shall not apply to businesses engaged in  
24 renting cars without a driver;

1           3. Any vehicle registered by the State of Oklahoma, by any of  
2 the political subdivisions thereof, or by a fire department  
3 organized pursuant to Section 592 of Title 18 of the Oklahoma  
4 Statutes to be used for the purposes of the fire department, or a  
5 vehicle which is the subject of a lease or lease-purchase agreement  
6 executed between the person seeking an original or transfer  
7 certificate of title for the vehicle and a municipality, county,  
8 school district, or fire protection district. The person seeking an  
9 original or transfer certificate of title shall provide adequate  
10 proof that the vehicle is subject to a lease or lease-purchase  
11 agreement with a municipality, county, school district, or fire  
12 protection district at the time the excise tax levied would  
13 otherwise be payable. The Oklahoma Tax Commission shall have the  
14 authority to determine what constitutes adequate proof as required  
15 by this section;

16           4. Any vehicle, the legal ownership of which is obtained by the  
17 applicant for a certificate of title by inheritance;

18           5. Any used motor vehicle, travel trailer, or commercial  
19 trailer which is owned and being offered for sale by a person  
20 licensed as a dealer to sell the same, under the provisions of  
21 Section 1101 et seq. of Title 47 of the Oklahoma Statutes:

22           a. if such vehicle, travel trailer, or commercial trailer  
23           has been registered in Oklahoma and the excise tax  
24           paid thereon, or

1           b.    when such vehicle, travel trailer, or commercial  
2                   trailer has been registered in some other state but is  
3                   not the latest manufactured model.

4           Provided, the provisions of this paragraph shall not be  
5 construed as allowing an exemption to any person not licensed as a  
6 dealer of used motor vehicles, travel trailers, or commercial  
7 trailers, or as an automotive dismantler and parts recycler in this  
8 state;

9           6.    Any vehicle which was purchased by a person licensed to sell  
10 new or used motor vehicles in another state:

11           a.    if such vehicle is not purchased for operation or  
12                   resale in this state, and

13           b.    the state from which the dealer is licensed offers  
14                   reciprocal privileges to a dealer licensed in this  
15                   state, pursuant to a reciprocal agreement between the  
16                   duly authorized agent of the Tax Commission and the  
17                   licensing state;

18           7.    Any vehicle, the ownership of which was obtained by the  
19 lienholder or mortgagee under or by foreclosure of a lien or  
20 mortgage in the manner provided by law or to the insurer under  
21 subrogated rights arising by reason of loss under an insurance  
22 contract;

23           8.    Any vehicle which is taxed on an ad valorem basis;  
24

1       9. Any vehicle or motor vehicle, the legal ownership of which  
2 is obtained by transfers:

3           a. from one corporation to another corporation pursuant  
4 to a reorganization. As used in this subsection the  
5 term "reorganization" means:

6               (1) a statutory merger or consolidation, or

7               (2) the acquisition by a corporation of substantially  
8 all of the properties of another corporation when  
9 the consideration is solely all or a part of the  
10 voting stock of the acquiring corporation, or of  
11 its parent or subsidiary corporation,

12           b. in connection with the winding up, dissolution, or  
13 liquidation of a corporation only when there is a  
14 distribution in kind to the shareholders of the  
15 property of such corporation,

16           c. to a corporation where the former owners of the  
17 vehicle or motor vehicle transferred are, immediately  
18 after the transfer, in control of the corporation, and  
19 the stock or securities received by each is  
20 substantially in proportion to the interest in the  
21 vehicle or motor vehicle prior to the transfer,

22           d. to a partnership if the former owners of the vehicle  
23 or motor vehicle transferred are, immediately after  
24 the transfer, members of such partnership and the

- 1 interest in the partnership received by each is  
2 substantially in proportion to the interest in the  
3 vehicle or motor vehicle prior to the transfer,
- 4 e. from a partnership to the members thereof when made in  
5 the dissolution of such partnership,
  - 6 f. to a limited liability company if the former owners of  
7 the vehicle or motor vehicle transferred are,  
8 immediately after the transfer, members of the limited  
9 liability company and the interest in the limited  
10 liability company received by each is substantially in  
11 proportion to the interest in the vehicle or motor  
12 vehicle prior to the transfer, or
  - 13 g. from a limited liability company to the members  
14 thereof when made in the dissolution of such  
15 partnership;

16 10. Any vehicle which is purchased by a person to be used by a  
17 business engaged in renting motor vehicles without a driver,  
18 provided:

- 19 a. the vehicle shall not be rented to the same person for  
20 a period exceeding ninety (90) days,
  - 21 b. any such vehicle exempted from the excise tax by these  
22 provisions shall not be placed under any type of lease  
23 agreement,
- 24

1 c. on any such vehicle exempted from the excise tax by  
2 this subsection that is reregistered in this state,  
3 without a prior sale or transfer to the persons  
4 specified in divisions (1) and (2) of this  
5 subparagraph, at any time prior to the expiration of  
6 twelve (12) months from the date of issuance of the  
7 original title, the seller shall pay immediately the  
8 amount of excise tax which would have been due had  
9 this exemption not been granted plus a penalty of  
10 twenty percent (20%). No such excise tax or penalty  
11 shall become due and payable if the vehicle is sold or  
12 transferred in a condition either physical or  
13 mechanical which would render it eligible for a  
14 salvage title pursuant to law or if the vehicle is  
15 sold and transferred in this state at any time prior  
16 to the expiration of twelve (12) months:

17 (1) to the manufacturer of the vehicle or its  
18 controlled financing arm, or

19 (2) to a factory authorized franchised new motor  
20 vehicle dealer which holds a franchise of the  
21 same line-make of the vehicle being purchased, or

22 d. when this exemption is claimed, the Tax Commission  
23 shall issue a special title which shall restrict the  
24

1 transfer of the title only within this state prior to  
2 the expiration of twelve (12) months unless:

3 (1) payment of the excise tax plus penalty as  
4 provided in this section is made,

5 (2) the sale is made to a person specified in  
6 division (1) or (2) of subparagraph c of this  
7 paragraph, or

8 (3) the vehicle is eligible for a salvage title.

9 For all other tax purposes vehicles herein exempted shall be  
10 treated as though the excise tax has been paid;

11 11. Any vehicle of the latest manufactured model, registered  
12 from a title in the name of the original manufacturer or assigned to  
13 the original manufacturer and issued by any state and transferred to  
14 a licensed, franchised Oklahoma motor vehicle dealer, as defined by  
15 Section 1102 of Title 47 of the Oklahoma Statutes, which holds a  
16 franchise of the same line-make as the vehicle being registered;

17 12. Any new motor vehicle, registered in the name of a  
18 manufacturer or dealer of new motor vehicles, for which a license  
19 plate has been issued pursuant to Section 1116.1 of Title 47 of the  
20 Oklahoma Statutes, if such vehicle is authorized by the manufacturer  
21 or dealer for personal use by an individual. The authorization for  
22 such use shall not exceed four (4) months which shall not be renewed  
23 or the exemption provided by this subsection shall not be  
24 applicable. The exemption provided by this subsection shall not be

1 applicable to a transfer of ownership or registration subsequent to  
2 the first registration of the vehicle by a manufacturer or dealer;

3 13. Any vehicle, travel trailer, or commercial trailer of the  
4 latest manufacturer model purchased by a franchised Oklahoma dealer  
5 licensed to sell the same which holds a franchise of the same line-  
6 make as the vehicle, travel trailer, or commercial trailer being  
7 registered;

8 14. Any vehicle which is the subject of a lease or lease-  
9 purchase agreement and which the ownership of such vehicle is being  
10 obtained by the lessee, if the vehicle excise tax was paid at the  
11 time of the initial lease or lease-purchase agreement;

12 15. Any vehicle which:

13 a. is purchased by a private, nonprofit organization  
14 which is exempt from taxation pursuant to the  
15 provisions of Section 501(c)(3) of the Internal  
16 Revenue Code, 26 U.S.C., Section 501(c)(3), and which  
17 is primarily funded by a fraternal or civic service  
18 organization with at least one hundred local chapters  
19 or clubs, and

20 b. is designed and used to provide mobile health  
21 screening services to the general public at no cost to  
22 the recipient, and for which no reimbursement of any  
23 kind is received from any health insurance provider,  
24



1 health maintenance organization, or governmental  
2 program; ~~or~~

3 16. Any vehicle which is purchased by an individual who has  
4 been honorably discharged from active service in any branch of the  
5 Armed Forces of the United States or Oklahoma National Guard and who  
6 has been certified by the United States Department of Veterans  
7 Affairs, its successor, or the Armed Forces of the United States to  
8 be a disabled veteran in receipt of compensation at the one-hundred-  
9 percent rate for a permanent disability sustained through military  
10 action or accident resulting from disease contracted while in such  
11 active service. Provided, this exemption may not be claimed by an  
12 individual for more than one vehicle in a consecutive three-year  
13 period; or

14 17. Any used all-terrain vehicle which is being traded-in as  
15 part of another purchase transaction if:

- 16 a. the excise tax was paid on the traded-in all-terrain  
17 vehicle for the immediately preceding purchase, and  
18 b. the all-terrain vehicle is being traded-in to a person  
19 or entity operating as a business which sells all-  
20 terrain vehicles in this state, but not licensed as a  
21 dealer of used motor vehicles, travel trailers, or  
22 commercial trailers.

23 SECTION 2. This act shall become effective November 1, 2012.

24 53-2-2058 JCR 1/17/2012 1:51:44 PM