

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 54th Legislature (2014)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2550

By: Roberts (Dustin)

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8 COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; amending 68
10 O.S. 2011, Section 1634, which relates to retail sale
11 of fireworks; authorizing sales tax exemption for
12 certain eligible student fundraising activities;
13 prescribing procedures for application and issuance
14 of exempt transaction card or document; providing for
15 limited duration of exempt transaction card or
16 document; relieving vendors of requirement to collect
17 sales tax based upon exempt transaction; providing
18 vendor not liable for sales tax based upon good-faith
19 reliance; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1634, is
amended to read as follows:

Section 1634. A. ~~Every~~ Except as otherwise provided by
subsection D of this section, every retail sale of fireworks by a
wholesaler, distributor, manufacturer or a retailer shall be subject
to the levy and collection of sales tax pursuant to the provisions
of the Oklahoma State Tax Code.

1 B. Every retail fireworks location shall possess a valid
2 current sales tax permit issued by the Oklahoma Tax Commission. The
3 sales tax permit shall be conspicuously posted in the immediate
4 vicinity of the sales operation and shall be immediately available
5 for examination by the public or any enforcement officer.

6 C. Vendors that fail to collect sales tax as required by
7 subsection A of this section shall be subject to the penalties
8 provided in Section 1361 of this title.

9 D. A vendor shall not collect sales tax on the retail sale of
10 fireworks if the sale is made to a person who presents a valid
11 exempt transaction card issued by the Oklahoma Tax Commission for
12 purposes of a valid student group fundraising event. A student
13 group shall make application for the exempt transaction card not
14 later than thirty (30) days prior to the anticipated first date upon
15 which fireworks are anticipated to be purchased. The application
16 shall be in such form as the Tax Commission may prescribe, but shall
17 include a verification from an official with the school the student
18 organization is affiliated with, from a certified instructor at the
19 school, from one or more persons authorized by the school district
20 for such purposes or such other persons having authority as may be
21 required by the Tax Commission. Upon completion of the application
22 and approval of the application by the Tax Commission, one exempt
23 transaction card or document shall be issued which shall be valid
24 for a period not to exceed one hundred twenty (120) days from the

1 date of issuance. Upon presentation of the exempt transaction card
2 to a fireworks vendor, the vendor shall not be required to collect
3 sales tax on the fireworks purchased for the fundraising activity.
4 A vendor who relies in good faith on the exempt transaction card
5 shall not be liable for sales tax if the transaction is subsequently
6 determined not to be eligible for the exemption authorized by this
7 subsection.

8 SECTION 2. It being immediately necessary for the preservation
9 of the public peace, health and safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

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13 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
14 02/27/2014 - DO PASS, As Amended.

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