

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2989

By: McPeak

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; stating  
8 purpose of tax levy; defining terms; imposing excise  
9 tax upon tangible personal property related to vapor  
10 products; requiring reports; providing excise tax  
11 levy in lieu of sales tax levy; apportioning revenue  
12 to the General Revenue Fund of the State Treasury;  
13 restricting sales of vapor products containing  
14 nicotine unless acquired from a licensed wholesaler;  
15 providing for codification; providing an effective  
16 date; and declaring an emergency.

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

18 SECTION 1. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 1354.101 of Title 68, unless  
20 there is created a duplication in numbering, reads as follows:

21 The purpose of the levy imposed pursuant to Section 3 of this  
22 act is to provide revenue for the general functions of state  
23 government.

24 SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 1354.102 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

1 As used in this act, "vapor product" means a noncombustible  
2 product containing nicotine that employs a mechanical heating  
3 element, battery, or electronic circuit, regardless of shape or  
4 size, that can be used to heat a liquid nicotine solution contained  
5 in a vapor cartridge as well as any vapor cartridge containing  
6 liquid nicotine solution that can be used with or in a vapor product  
7 and electronic cigarettes, electronic cigars, electronic cigarillos  
8 and electronic pipes. "Vapor product" does not include any product  
9 regulated by the United States Food and Drug Administration under  
10 Chapter V of the Federal Food, Drug, and Cosmetic Act.

11 SECTION 3. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 1354.103 of Title 68, unless  
13 there is created a duplication in numbering, reads as follows:

14 There shall be imposed an excise tax of thirty percent (30%)  
15 upon the sale of any vapor product, including supplies, refills or  
16 any other tangible personal property used directly or indirectly for  
17 the inhalation of vapor from a vapor product.

18 SECTION 4. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 1354.104 of Title 68, unless  
20 there is created a duplication in numbering, reads as follows:

21 The excise tax imposed pursuant to the provisions of Section 3  
22 of this act shall be in lieu of the sales tax levied by Section 1354  
23 of Title 68 of the Oklahoma Statutes.

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1 SECTION 5. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 1354.105 of Title 68, unless  
3 there is created a duplication in numbering, reads as follows:

4 Each vendor making sales of tangible personal property subject  
5 to the levy imposed by Section 3 of this act shall remit the excise  
6 tax in the same manner as provided by law for the collection and  
7 remittance of state sales tax.

8 SECTION 6. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 1354.106 of Title 68, unless  
10 there is created a duplication in numbering, reads as follows:

11 The revenue derived from the levy of tax imposed pursuant to  
12 Section 3 of this act shall be apportioned to the General Revenue  
13 Fund of the State Treasury.

14 SECTION 7. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 1354.107 of Title 68, unless  
16 there is created a duplication in numbering, reads as follows:

17 All vapor products containing nicotine shall be distributed only  
18 by a licensed wholesaler. It shall be unlawful for any business to  
19 make retail sales of vapor products containing nicotine unless the  
20 products were acquired from a licensed wholesaler as provided by  
21 law.

22 SECTION 8. This act shall become effective July 1, 2014.

23 SECTION 9. It being immediately necessary for the preservation  
24 of the public peace, health and safety, an emergency is hereby

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.

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