

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1186

By: Anderson

4
5
6 AS INTRODUCED

7 An Act relating to cigarette tax; amending 68 O.S.
8 2011, Section 302-5, which relates to levy of tax and
9 apportionment of revenue; deleting obsolete language;
10 updating references; and providing an effective date.

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

12 SECTION 1. AMENDATORY 68 O.S. 2011, Section 302-5, is
13 amended to read as follows:

14 Section 302-5. A. Effective January 1, 2005, in addition to
15 the tax levied in Sections 302, 302-1, 302-2, 302-3 and 302-4 of
16 this title, there is hereby levied upon the sale, use, gift,
17 possession, or consumption of cigarettes, as defined in Sections 301
18 through 325 of this title, within this state, a tax at the rate of
19 forty (40) mills per cigarette.

20 B. Except as provided in subsection D of this section, the
21 revenue resulting from the additional tax levied in subsection A of
22 this section shall be apportioned by the Oklahoma Tax Commission and
23 transmitted to the State Treasurer as follows:

1 1. Twenty-two and six-hundredths percent (22.06%) shall be
2 placed to the credit of the Health Employee and Economy Improvement
3 Act Revolving Fund created in Section 1010.1 of Title 56 of the
4 Oklahoma Statutes;

5 2. Three and nine-hundredths percent (3.09%) shall be placed to
6 the credit of the Comprehensive Cancer Center Debt Service Revolving
7 Fund created in Section 160.1 of Title 62 of the Oklahoma Statutes;

8 3. ~~Before July 1, 2008, seven and fifty-hundredths percent~~
9 ~~(7.50%) shall be placed to the credit of the Trauma Care Assistance~~
10 ~~Revolving Fund created in Section 1-2530.9 of Title 63 of the~~
11 ~~Oklahoma Statutes.~~ On and after July 1, 2008, seven and fifty-
12 hundredths percent (7.50%) shall be allocated as follows:

13 a. every month, an amount equal to the actual amount
14 placed to the credit of the Trauma Care Assistance
15 Revolving Fund pursuant to this paragraph for the same
16 month of the 2008 fiscal year shall be credited to the
17 Trauma Care Assistance Revolving Fund,

18 b. every month, any amount over and above the amount
19 placed to the credit of the Trauma Care Assistance
20 Revolving Fund pursuant to subparagraph a of this
21 paragraph shall be credited to the Oklahoma Emergency
22 Response Systems Stabilization and Improvement
23 Revolving Fund as created in Section ~~8 of this act~~ 1-
24 2512.1 of Title 63 of the Oklahoma Statutes until the

1 combined amount credited to the Oklahoma Emergency
2 Response Systems Stabilization and Improvement
3 Revolving Fund pursuant to this section and Section
4 402-3 of this title is equal to a total of Two Million
5 Five Hundred Thousand Dollars (\$2,500,000.00) each
6 year, and

7 c. any additional revenue allocated pursuant to this
8 paragraph shall be placed to the credit of the Trauma
9 Care Assistance Revolving Fund;

10 4. Three and nine-hundredths percent (3.09%) shall be placed to
11 the credit of the Oklahoma State University College of Osteopathic
12 Medicine Revolving Fund created in Section 160.2 of Title 62 of the
13 Oklahoma Statutes;

14 5. Twenty-six and thirty-eight-hundredths percent (26.38%)
15 shall be placed to the credit of the Oklahoma Health Care Authority
16 Medicaid Program Fund created in Section 5020 of Title 63 of the
17 Oklahoma Statutes for the purposes of maintaining programs and
18 services funded under the federal "Jobs and Growth Tax Relief
19 Reconciliation Act of 2003", reimbursing city/county-owned
20 hospitals, increasing emergency room physician rates, and providing
21 TEFRA 134, also known as "Katie Beckett" services;

22 6. Two and sixty-five-hundredths percent (2.65%) shall be
23 placed to the credit of the Department of Mental Health and
24

1 Substance Abuse Services Revolving Fund created in Section 2-303 of
2 Title 43A of the Oklahoma Statutes;

3 7. Forty-four-hundredths of one percent (0.44%) shall be placed
4 to the credit of the Belle Maxine Hilliard Breast and Cervical
5 Cancer Treatment Revolving Fund created in Section 1-559 of Title 63
6 of the Oklahoma Statutes;

7 8. One percent (1%) shall be placed to the credit of the
8 Teachers' Retirement System Revolving Fund created in Section 158 of
9 Title 62 of the Oklahoma Statutes;

10 9. Two and seven-hundredths percent (2.07%) shall be placed to
11 the credit of the Education Reform Revolving Fund created in Section
12 41.29b of Title 62 of the Oklahoma Statutes;

13 10. Sixty-six-hundredths percent (0.66%) shall be placed to the
14 credit of the Tobacco Prevention and Cessation Revolving Fund
15 created in Section 1-105d of Title 63 of the Oklahoma Statutes; and

16 11. Sixteen and eighty-three-hundredths percent (16.83%) shall
17 be placed to the credit of the General Revenue Fund; ~~and~~

18 ~~12. For fiscal years beginning July 1, 2004, and ending June~~
19 ~~30, 2006, fourteen and twenty-three-hundredths percent (14.23%)~~
20 ~~shall be apportioned to municipalities and counties that levy a~~
21 ~~sales tax, in the proportions which total municipal and county sales~~
22 ~~tax revenue was apportioned by the Tax Commission in the preceding~~
23 ~~month.~~

24

1 For fiscal years beginning July 1, 2006, and thereafter, the
2 apportionment percentage specified in paragraph 12 of this
3 subsection will be adjusted by dividing the total municipal and
4 county sales tax revenue collected in the calendar year immediately
5 preceding the commencement of the fiscal year by the sum of the
6 state sales tax revenue and total municipal and county sales tax
7 revenue collected in the same year. This ratio shall be divided by
8 the ratio of the total municipal and county sales tax revenue
9 collected in the calendar year beginning January 1, 2004, and ending
10 December 31, 2004, divided by the sum of the state sales tax revenue
11 and total municipal and county sales tax revenue collected in the
12 same year. The resulting quotient shall be multiplied by fourteen
13 and twenty-three-hundredths percent (14.23%) to determine the
14 apportionment percentage for the fiscal year.

15 For fiscal years beginning July 1, 2006, and thereafter, any
16 adjustment to the percentage of revenues apportioned to
17 municipalities and counties shall be reflected in the percent of
18 revenues apportioned to the General Revenue Fund.

19 C. The tax shall be evidenced by tax stamps as now provided
20 for; however, as to cigarette packages of less than ten cigarettes
21 for free distribution as samples, the tax herein levied shall be
22 computed and paid as provided for other cigarette taxes without
23 affixing stamps on each such package.

24

1 D. The net amount of any revenue resulting from a payment in
2 lieu of excise taxes on cigarettes levied by this section, pursuant
3 to a compact with a federally recognized Indian tribe or nation
4 after deductions for deposits into trust accounts pursuant to such
5 compacts, shall be apportioned by the Tax Commission and transmitted
6 to the State Treasurer as follows:

7 1. Thirty-three and forty-nine-hundredths percent (33.49%)
8 shall be placed to the credit of the Health Employee and Economy
9 Improvement Act Revolving Fund created in Section 1010.1 of Title 56
10 of the Oklahoma Statutes;

11 2. Four and sixty-nine-hundredths percent (4.69%) shall be
12 placed to the credit of the Comprehensive Cancer Center Debt Service
13 Revolving Fund created in Section 160.1 of Title 62 of the Oklahoma
14 Statutes;

15 3. ~~Before July 1, 2008, eleven and thirty-nine-hundredths~~
16 ~~percent (11.39%) shall be placed to the credit of the Trauma Care~~
17 ~~Assistance Revolving Fund created in Section 1-2522 of Title 63 of~~
18 ~~the Oklahoma Statutes.~~ On and after July 1, 2008, eleven and
19 thirty-nine-hundredths percent (11.39%) shall be allocated as
20 follows:

21 a. every month, an amount equal to the actual amount
22 placed to the credit of the Trauma Care Assistance
23 Revolving Fund pursuant to this paragraph for the same
24

1 month of the 2008 fiscal year shall be credited to the
2 Trauma Care Assistance Revolving Fund,

3 b. every month, any amount over and above the amount
4 placed to the credit of the Trauma Care Assistance
5 Revolving Fund pursuant to subparagraph a of this
6 paragraph shall be credited to the Oklahoma Emergency
7 Response Systems Stabilization and Improvement
8 Revolving Fund as created in Section ~~8 of this act~~ 1-
9 2512.1 of Title 63 of the Oklahoma Statutes until the
10 combined amount credited to the Oklahoma Emergency
11 Response Systems Stabilization and Improvement
12 Revolving Fund pursuant to this section and Section
13 402-3 of this title is equal to a total of Two Million
14 Five Hundred Thousand Dollars (\$2,500,000.00) each
15 year, and

16 c. any additional revenue allocated pursuant to this
17 paragraph shall be placed to the credit of the Trauma
18 Care Assistance Revolving Fund;

19 4. Four and sixty-nine-hundredths percent (4.69%) shall be
20 placed to the credit of the Oklahoma State University College of
21 Osteopathic Medicine Revolving Fund created in Section 160.2 of
22 Title 62 of the Oklahoma Statutes;

23 5. Forty and six-hundredths percent (40.06%) shall be placed to
24 the credit of the Oklahoma Health Care Authority Medicaid Program

1 Fund created in Section 5020 of Title 63 of the Oklahoma Statutes
2 for the purposes of maintaining programs and services funded under
3 the federal "Jobs and Growth Tax Relief Reconciliation Act of 2003",
4 reimbursing city/county-owned hospitals, increasing emergency room
5 physician rates, and providing TEFRA 134, also known as "Katie
6 Beckett" services;

7 6. Four and one-hundredths percent (4.01%) shall be placed to
8 the credit of the Department of Mental Health and Substance Abuse
9 Services Revolving Fund created in Section 2-303 of Title 43A of the
10 Oklahoma Statutes;

11 7. Sixty-seven-hundredths percent (0.67%) shall be placed to
12 the credit of the Belle Maxine Hilliard Breast and Cervical Cancer
13 Treatment Revolving Fund created in Section 1-559 of Title 63 of the
14 Oklahoma Statutes; and

15 8. One percent (1%) shall be placed to the credit of the
16 Tobacco Prevention and Cessation Revolving Fund created in Section
17 1-105d of Title 63 of the Oklahoma Statutes.

18 E. No part of the revenues resulting from the additional taxes
19 levied in this section shall be used in determining the amount of
20 cigarette tax collections to be paid into:

21 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund
22 pursuant to the provisions of Sections 57.31 through 57.43 of Title
23 62 of the Oklahoma Statutes;

24

1 2. The State of Oklahoma Institutional Building Bonds of 1965
2 Sinking Fund pursuant to the provisions of Sections 57.61 through
3 57.73 of Title 62 of the Oklahoma Statutes;

4 3. The State of Oklahoma Institutional Building Bonds of 1965
5 Sinking Fund Series C and Series D pursuant to Sections 57.81
6 through 57.112 of Title 62 of the Oklahoma Statutes;

7 4. The State of Oklahoma Building Bonds of 1968 Sinking Fund
8 pursuant to the provisions of Sections 57.121 through 57.193 of
9 Title 62 of the Oklahoma Statutes; or

10 5. The Oklahoma Building Bonds of 1992 Sinking Fund pursuant to
11 the provisions of Sections 57.300 through 57.313 of Title 62 of the
12 Oklahoma Statutes.

13 F. The cigarette taxes levied in this section shall be
14 collected and administered in all respects not inconsistent with as
15 now or hereafter provided for by law for other cigarette taxes now
16 levied, collected, and administered pursuant to the provisions of
17 Sections 301 through 325 of this title.

18 SECTION 2. This act shall become effective November 1, 2014.

19

20 54-2-2152 JCR 1/2/2014 12:05:40 PM

21

22

23

24