STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SUBCOMMITTEE RECOMENDATION
FOR
HOUSE BILL NO. 1858 By: Wright

SUBCOMMITTEE RECOMENDATION

[low-point beer - excise tax - sales tax - effective date -

emergency]

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

SECTION 1. AMENDATORY 37 O.S. 2011, Section 163.3, is amended to read as follows:

Section 163.3 A. There is hereby levied on all low-point beer containing more than one-half of one percent (1/2 of 1%) of alcohol measured by volume and not more than three and two-tenths percent (3.2%) of alcohol measured by weight which are manufactured and sold, or removed for consumption or sale, within this state a tax of ~~Eleven Dollars and twenty-five cents ($11.25)~~ Forty-five Dollars ($45.00) for every barrel containing not more than thirty-one (31)

gallons, and at a like rate of tax for any other quantities or for a fractional part of a barrel. Provided, any low-point beer manufactured in this state for export or produced pursuant to a valid personal use permit issued by the Alcoholic Beverage Laws Enforcement Commission pursuant to Section ~~4~~ 520A of this ~~act~~ title shall not be taxed as provided in this section.

Each wholesaler making reports and remittances to the Oklahoma Tax Commission shall be allowed the sum of one percent (1%) of the tax remittances collected for maintaining and collecting the tax for the benefit of this state.

Machinery and equipment directly used in the manufacture within this state of low-point beer taxed pursuant to the provisions of this section shall be exempt from taxation under any other law of this state levying a sales or consumers or use tax.

B. The tax collected pursuant to this section shall be apportioned as follows:

1. Eleven Dollars and twenty-five cents ($11.25) of the tax shall be deposited in the General Revenue Fund of the state; and

2. The remaining Thirty-three Dollars and seventy-five cents ($33.75) of the tax shall be apportioned to the state, municipalities, and counties that levy a sales tax, in the proportions which each entity received in sales tax in the preceding month. The amount allocated to the state shall be apportioned

pursuant to the provisions of Section 1353 of Title 68 of the Oklahoma Statutes.

SECTION 2. AMENDATORY 68 O.S. 2011, Section 1355, is amended to read as follows:

Section 1355. There are hereby specifically exempted from the tax levied pursuant to the provisions of Section 1350 et seq. of this title:

1. Sale of gasoline, motor fuel, methanol, "M-85" which is a mixture of methanol and gasoline containing at least eighty-five percent (85%) methanol, compressed natural gas, liquefied natural gas, or liquefied petroleum gas on which the Motor Fuel Tax, Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special Fuels Tax levied in Section 500.1 et seq., Section 601 et seq. or Section 701 et seq. of this title has been, or will be paid;

2. Sale of motor vehicles or any optional equipment or accessories attached to motor vehicles on which the Oklahoma Motor Vehicle Excise Tax levied in Section 2101 et seq. of this title has been, or will be paid;

3. Sale of crude petroleum or natural or casinghead gas and other products subject to gross production tax pursuant to the provisions of Section 1001 et seq. and Section 1101 et seq. of this title. This exemption shall not apply when such products are sold to a consumer or user for consumption or use, except when used for injection into the earth for the purpose of promoting or

facilitating the production of oil or gas. This paragraph shall not operate to increase or repeal the gross production tax levied by the laws of this state;

4. Sale of aircraft on which the tax levied pursuant to the provisions of Sections 6001 through 6007 of this title has been, or will be paid or which are specifically exempt from such tax pursuant to the provisions of Section 6003 of this title;

5. Sales from coin-operated devices on which the fee imposed by Sections 1501 through 1512 of this title has been paid;

6. Leases of twelve (12) months or more of motor vehicles in which the owners of the vehicles have paid the vehicle excise tax levied by Section 2103 of this title;

7. Sales of charity game equipment on which a tax is levied pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of Title 3A of the Oklahoma Statutes, or which is sold to an organization that is:

a. a veterans' organization exempt from taxation pursuant to the provisions of paragraph (4), (7), (8), (10) or (19) of subsection (c) of Section 501 of the United States Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq., or

b. a group home for mentally disabled individuals exempt from taxation pursuant to the provisions of paragraph (3) of subsection (c) of Section 501 of the United

States Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq.;

8. Sales of cigarettes or tobacco products to:

a. a federally recognized Indian tribe or nation which has entered into a compact with the State of Oklahoma pursuant to the provisions of subsection C of Section 346 of this title or to a licensee of such a tribe or nation, upon which the payment in lieu of taxes required by the compact has been paid, or

b. a federally recognized Indian tribe or nation or to a licensee of such a tribe or nation upon which the tax levied pursuant to the provisions of Section 349 or Section 426 of this title has been paid;

9. Leases of aircraft upon which the owners have paid the aircraft excise tax levied by Section 6001 et seq. of this title or which are specifically exempt from such tax pursuant to the provisions of Section 6003 of this title;

10. The sale of low-speed or medium-speed electrical vehicles on which the Oklahoma Motor Vehicle Excise Tax levied in Section 2101 et seq. of this title has been or will be paid; ~~and~~

11. Effective January 1, 2005, sales of cigarettes on which the tax levied in Section 301 et seq. of this title or tobacco products on which the tax levied in Section 401 et seq. of this title has been paid; and

12. Sale of low-point beer on which the tax levied in Section 163.3 of Title 37 of the Oklahoma Statutes has been paid.

SECTION 3. This act shall become effective July 1, 2015.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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