

1 ENGROSSED HOUSE
2 BILL NO. 1553

By: Sears of the House

and

Mazzei of the Senate

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6 An Act relating to revenue and taxation; enacting the
7 Heavy Equipment Rental Fee Act; authorizing
8 imposition of recovery fee; stating amount of fee;
9 requiring retainage of fee proceeds; defining terms;
10 providing recovery fee not subject to certain tax
11 levies; requiring annual report to Oklahoma Tax
12 Commission; providing for remittance of certain
13 excess amount to the Oklahoma Tax Commission;
14 providing for apportionment of certain amounts by the
15 State Treasurer to the credit of the General Revenue
16 Fund of the State Treasury; providing for
17 codification; and providing an effective date.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 5501 of Title 68, unless there
21 is created a duplication in numbering, reads as follows:

22 This act shall be known and may be cited as the "Heavy Equipment
23 Rental Fee Act".

24 SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 5502 of Title 68, unless there
is created a duplication in numbering, reads as follows:

A company in the business of renting heavy equipment property
located in this state may include in the rental invoice a one and

1 one-half percent (1.50%) recovery fee on the rental charge from any
2 item of heavy equipment property rental by a customer. The total
3 amount of the recovery fee shall be retained by the business for the
4 purpose of paying personal property taxes levied by all taxing
5 jurisdictions against the heavy equipment property located in the
6 state.

7 SECTION 3. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 5503 of Title 68, unless there
9 is created a duplication in numbering, reads as follows:

10 A. As used in this act, "heavy equipment property" means
11 property owned or held by a rental business classified under code
12 532412, 532310 or 423810 of the 2002 North American Industry
13 Classification System (2012) as published by the Bureau of the
14 Census.

15 B. As used in this act, "rental charge" means the charge of the
16 rental of heavy equipment property. It does not include any other
17 costs such as pickup and delivery, fuel or damage waiver.

18 SECTION 4. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 5504 of Title 68, unless there
20 is created a duplication in numbering, reads as follows:

21 The recovery fee shall not be subject to state or local sales
22 tax.

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1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5505 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

4 Annually, on or before March 15, each rental business that
5 collects the equipment rental surcharge is required to submit to the
6 Oklahoma Tax Commission a consolidated report showing the total
7 personal property taxes paid in the state during the previous
8 calendar year and the total surcharge collections. If the total
9 surcharge collections exceed the taxes paid, that excess shall be
10 remitted to the Oklahoma Tax Commission.

11 SECTION 6. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 5506 of Title 68, unless there
13 is created a duplication in numbering, reads as follows:

14 All monies collected under Section 5 of this act shall be
15 transmitted annually by April 15 of the following tax period by the
16 Oklahoma Tax Commission to the State Treasurer of the State of
17 Oklahoma to be placed to the credit of the General Revenue Fund of
18 the state, to be paid out only pursuant to direct appropriations of
19 the Legislature for general governmental functions of the State of
20 Oklahoma.

21 SECTION 7. This act shall become effective January 1, 2017.
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1 Passed the House of Representatives the 8th day of March, 2016.

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4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2016.

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9 Presiding Officer of the Senate