

OKLAHOMA TAX COMMISSION

**FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-FIFTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: February 25, 2015

BILL NUMBER: SB 451 **STATUS AND DATE OF BILL:** Introduced 01/21/2015

AUTHORS: House n/a Senate Brinkley

TAX TYPE (S): Motor Vehicle **SUBJECT:** Other

PROPOSAL: Amendatory

Section 2 proposes to amend 47 O.S. §1107 to exempt a “retail implement dealer” from the title and excise tax payment requirements in connection with the purchase or transfer of off-road vehicles. It also requires a “retail implement dealer” in connection with the sale or disposal of off-road vehicles when selling or otherwise disposing of a vehicle to execute and deliver to the purchaser the certificate of title properly and completely reassigned. It further defines "off-road vehicles"¹ and “retail implement dealer”².

EFFECTIVE DATE: November 1, 2015

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 16: \$35,000 estimated decrease in motor vehicles registration collections.

FY 17: \$53,000 estimated decrease in motor vehicles registration collections.

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 16: None

Feb. 25, 2015
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2-26-15
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/26/15
DATE

Dan Cas
FOR THE COMMISSION

1 “Off-road vehicles” means all-terrain vehicles, utility vehicles, and motorcycles used exclusively for off-road use.
2 “Retail implement dealer” means a business engaged primarily in the sale of farm tractors as defined in Section 1-118 of Title 47 or implements of husbandry as defined in Section 1-125 of Title 47 or a combination thereof.”

ATTACHMENT TO FISCAL IMPACT SB 451 [Introduced] Prepared February 25, 2015

Section 2 proposes to amend Section 1107 of Title 47 by exempting “retail implement dealer” from the certificate of title requirement of transferring ownership. It also requires a “retail implement dealer” in connection with the sale or disposal of off-road vehicles on selling or otherwise disposing of a vehicle to execute and deliver to the purchaser the certificate of title properly and completely reassigned. It further defines “off-road vehicles”³ and “retail implement dealer”⁴.

Tax Commission records indicate that 1,652 used titles⁵ reflecting the assessment of excise tax were issued to off-road vehicles in CY 2011. The average amount of excise tax attributable to these transactions is \$150. It is assumed that 20% or 330 of the off-road vehicle title transactions will involve retail implement dealers. Multiplying the 330 by the average excise tax of \$150 yields a decrease in motor vehicle excise tax collections in the amount of \$49,560. Additionally a decrease in title fee collections results in the amount of 3,630. [$\$11.00 \times 330 = \$3,630$].

The estimated combined decrease in motor vehicle tax collections is \$53,190.

This measure proposes an effective date of November 1, 2015. The FY 16 estimated combined decrease in motor vehicle collections is \$35,460 [$(\$53,190 / 12 \text{ months}) \times 8 \text{ months}$] for FY 2016. For FY 17, the estimated decrease in motor vehicle collections is \$53,190.

3 “Off-road vehicles” means all-terrain vehicles, utility vehicles, and motorcycles used exclusively for off-road use”

4 “Retail implement dealer” means a business engaged primarily in the sale of farm tractors as defined in Section 1-118 of Title 47 or implements of husbandry as defined in Section 1-125 of Title 47 or a combination thereof.”

5 1150 transfer and 502 non-new original transfer titles.