

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

HOUSE BILL 2201

By: Fetgatter

AS INTRODUCED

An Act relating to revenue and taxation; amending Sections 104, as amended by Section 13, Chapter 205, O.S.L. 2017 and 116, Chapter 366, O.S.L. 2016 (37A O.S. Supp. 2018, Sections 5-101 and 5-113), which relate to the Oklahoma Alcoholic Beverage Control Act; modifying provisions related to reporting requirements for excise tax on alcoholic beverages; modifying report date; amending 47 O.S. 2011, Section 1111, as amended by Section 3, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2018, Section 1111), which relates to salvage titles; modifying reference for required wording in certificate of title; amending 68 O.S. 2011, Sections 255, 500.18, 500.20, 1001.1, as amended by Section 2, Chapter 401, O.S.L. 2013, 1004, as last amended by Section 8, Chapter 8, 2nd Extraordinary Session, O.S.L. 2018, 1365, 3, 4, 5, 6 and 7, Chapter 17, 2nd Extraordinary Session, O.S.L. 2018 and 4307, as amended by Section 5, Chapter 3, O.S.L. 2014 (68 O.S. Supp. 2018, Sections 1001.1, 1004, 1392, 1393, 1394, 1395, 1396 and 4307), which relate to administration of state taxes; modifying time period for remittance of tax by certain entities; modifying time period related to motor fuel tax report dates; modifying statutory references; modifying provisions related to remittance of sales tax; eliminating references to remote sellers; modifying reference to certain time period; modifying provisions applicable to marketplace facilitator for purposes of sales or use tax; imposing certain sales and use tax collection requirements on remote sellers based upon aggregate sales amounts; providing for exclusion of certain sales in computation; modifying provisions related to duties of remote sellers with respect to certain disclosure statement; modifying provisions related to Oklahoma Quality Events

1 Incentive Act; modifying date reference; repealing 47
2 O.S. 2011, Section 1105.4, which relates to certain
3 informational publications; providing an effective
4 date; and declaring an emergency.

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

7 SECTION 1. AMENDATORY Section 104, Chapter 366, O.S.L.
8 2016, as amended by Section 13, Chapter 205, O.S.L. 2017 (37A O.S.
9 Supp. 2018, Section 5-101), is amended to read as follows:

10 Section 5-101. A. Except as provided in this subsection, an
11 excise tax is hereby levied and imposed upon all alcoholic beverages
12 imported or manufactured, for sale, use or distribution, or used or
13 possessed in this state at the following rates:

14 1. One Dollar and forty-seven cents (\$1.47) per liter, and a
15 proportionate rate on fractions thereof, on each liter of spirits;

16 2. Nineteen cents (\$0.19) per liter, and a proportionate rate
17 on fractions thereof, on each liter of wine;

18 3. Fifty-five cents (\$0.55) per liter, and a proportionate rate
19 on fractions thereof, on each liter of sparkling wine; and

20 4. Twelve Dollars and fifty cents (\$12.50) per barrel (thirty-
21 one (31) wine gallons) and a proportionate rate on portions thereof,
22 on each barrel of beer; provided, beer manufactured in this state
23 for export shall not be taxed.

1 B. The excise tax levied on alcoholic beverages except beer
2 under subsection A of this section shall be paid as follows:

3 1. Payment of the excise tax levied by this section with
4 respect to all alcoholic beverages, ~~other than beer,~~ shall be made
5 by the person ~~shipping the same into Oklahoma,~~ first possessing,
6 selling, using, or distributing, or in the case of direct ~~imports~~
7 ~~from foreign countries by the importer,~~ or in the case of alcoholic
8 ~~beverages manufactured in Oklahoma by the first seller thereof~~ sales
9 to the ultimate consumer by the direct seller thereof; and

10 2. The due and payable excise tax levied by this section shall
11 be remitted electronically simultaneously with tax returns
12 electronically filed with the Oklahoma Tax Commission using
13 procedures prescribed by the Tax Commission. The tax returns shall
14 be made under oath by the person liable for the tax on forms
15 prescribed and provided by the Tax Commission and shall be
16 accompanied by payment of the taxes due and any additional sums due
17 as provided by this section. Invoices describing all alcoholic
18 beverages as described in this section which are shipped into this
19 state or which are first sold in this state shall be delivered to
20 the Tax Commission immediately following shipment of liquors into
21 the state or delivery to the first purchaser. Tax returns and
22 payment of excise tax and other sums due shall be electronically
23 filed with the Tax Commission no later than the twentieth day of the
24 month immediately succeeding the month of shipment, importation or

1 first sale of the alcoholic beverages as provided in paragraph 1 of
2 this subsection.

3 C. For the purpose of collecting and remitting the excise tax
4 imposed under this section, the person liable for such tax is hereby
5 declared to be the agent of the state for such purposes.

6 D. Nothing herein shall be construed to impose an additional
7 excise tax on alcoholic beverages held in inventory by wholesalers
8 and retailers upon which the excise tax was paid prior to the
9 effective date of any excise tax increase.

10 E. The retail sale of alcoholic beverages shall be subject to
11 the sales tax statutes enacted by the Legislature.

12 SECTION 2. AMENDATORY Section 116, Chapter 366, O.S.L.
13 2016 (37A O.S. Supp. 2018, Section 5-113), is amended to read as
14 follows:

15 Section 5-113. A. The Oklahoma Tax Commission, as provided by
16 the Uniform Tax Procedure Code, may issue a distributor permit or
17 wholesaler permit to any person who sells alcoholic beverages to a
18 wine and spirits wholesaler or beer distributor or to any person
19 having a wholesaler license.

20 B. Each wholesaler shall furnish a copy of the wholesaler
21 permit to manufacturers, importers, brokers and others who sell
22 alcoholic beverages prior to purchasing alcoholic beverages from a
23 holder of a distributor permit. Each manufacturer, importer, broker
24 and other who sells alcoholic beverages shall furnish a copy of the

1 distributor permit to the wine and spirits wholesaler or beer
2 distributor prior to selling alcoholic beverages to a wholesaler.

3 C. Holders of distributor permits or wholesaler permits shall
4 maintain an itemized and verified record for the preceding calendar
5 month of all sales or purchases of alcoholic beverages and shall
6 transmit the verified record to the Tax Commission on or before the
7 ~~tenth~~ twentieth day of each month, upon a form prescribed and
8 furnished by the Tax Commission. Permit holders shall maintain
9 records of sales and purchases of alcoholic beverages for three (3)
10 years.

11 SECTION 3. AMENDATORY 47 O.S. 2011, Section 1111, as
12 amended by Section 3, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2018,
13 Section 1111), is amended to read as follows:

14 Section 1111. A. As used in this section:

15 1. "Loss" means the cost, in dollars, to repair or replace a
16 vehicle which has been damaged by collision or other occurrence.
17 The amount paid by an insurer to a holder of the certificate of
18 title for repair of a damaged vehicle shall be prima facie evidence
19 of the amount of the loss. The amount paid by an insurer to a
20 holder of the certificate of title for replacement of a damaged
21 vehicle less the resale value of the damaged vehicle shall be prima
22 facie evidence of the amount of the loss;

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1 2. "Fair market value" means the value of a vehicle as listed
2 in the current National Auto Dealers Association guidebook or other
3 similar guidebook or the actual cash value, whichever is greater;

4 3. "Resale value" means the amount, in dollars, paid to the
5 holder of a certificate of title by a willing buyer for a vehicle
6 damaged by collision or other occurrence or recovered from theft;

7 4. "Total loss" means a loss which is equal to the fair market
8 value of the vehicle immediately prior to the damage to or theft of
9 the vehicle; and

10 5. "Vehicle" means a vehicle, as defined in paragraph ~~29~~ 40 of
11 Section 1102 of this title, manufactured within the last seven (7)
12 model years.

13 B. Any insurance company that pays a total loss on a claim for
14 any vehicle including, but not limited to, a flood-damaged vehicle
15 or recovered-theft vehicle, any junk dealer who receives a motor
16 vehicle which is to be used for junk or for parts, or any other
17 person permanently dismantling or junking a vehicle shall receive
18 the certificate of title from the current holder of the certificate
19 of title, shall detach the license plate from the vehicle, and shall
20 return the license plate and the certificate of title to the
21 Oklahoma Tax Commission or a motor license agent within thirty (30)
22 days from receipt of the certificate, or insurance companies may
23 provide alternate documentation within thirty (30) days pursuant to
24 subsection P of Section 1105 of this title. The Tax Commission

1 shall cancel the certificate of title to the vehicle used for junk
2 or parts and shall preserve the vehicle identification numbers on
3 the certificate of title in the computer files for at least five (5)
4 years. No certificate of title may be reissued on a junked vehicle
5 as defined in Section 1105 of this title, unless reissued pursuant
6 to paragraph 3 of subsection C of this section. The Tax Commission
7 shall transfer ownership of a stolen vehicle, not recovered from
8 theft at the time of transfer, by salvage or unrecovered-theft title
9 to the insurer. The Tax Commission shall transfer ownership of a
10 vehicle damaged by flooding or other occurrence to the insurer by an
11 original title, salvage title, or junked title, as may be
12 appropriate, based upon an estimate of the amount of loss submitted
13 by the insurer. All license plates surrendered to the Tax
14 Commission shall be destroyed.

15 C. 1. If an insurance company pays a claim for a loss which is
16 less than a total loss but the cost of repairing the vehicle for
17 safe operation on the highway exceeds sixty percent (60%) of the
18 fair market value of the vehicle, or if any vehicle not insured is
19 damaged to the extent that the cost of repair for safe operation on
20 the highway exceeds sixty percent (60%) of the fair market value of
21 the vehicle, any holder of the certificate of title for the vehicle
22 shall return the certificate of title to the Tax Commission or a
23 motor license agent within thirty (30) days from receipt of payment
24 for the loss.

1 2. Upon receipt of the certificate, the Tax Commission or motor
2 license agent shall issue a salvage title for the vehicle. The
3 title for any vehicle damaged by flooding shall be stamped with the
4 words "Flood Damaged", and for any such vehicle which was recovered
5 from a theft, the salvage title or rebuilt title shall be stamped
6 with the words "Recovered Theft". A licensed dealer subject to the
7 provisions of the Automotive Dismantlers and Parts Recycler Act,
8 Section 591.1 et seq. of this title, shall not be required to pay
9 registration fees, excise taxes, back taxes, or penalties on a
10 vehicle as a prerequisite to obtaining a salvage title.

11 3. If the actual documented cost of repairing the vehicle for
12 safe operation on the highway does not exceed sixty percent (60%) of
13 the fair market value of the vehicle as defined in this section, the
14 certificate of title shall be reissued to the holder and the vehicle
15 shall not be subject to inspection as required under this section.
16 The actual documented cost of repairing the vehicle pursuant to this
17 paragraph shall be certified by the insurance company paying the
18 loss.

19 D. If a motor vehicle with a salvage title is placed in
20 operative condition, application shall be made to the Tax Commission
21 or a motor license agent for a rebuilt title. A visual inspection
22 of the vehicle and examination of the vehicle identification numbers
23 shall be conducted prior to the issuance of a rebuilt title. At the
24 time of issuance, the salvage title shall be returned to the Tax

1 Commission by the owner, or by the motor license agent if the motor
2 license agent issues the rebuilt title. A visual inspection shall
3 also be made of any out-of-state vehicle to be registered and titled
4 in this state if the vehicle is within the class of vehicles for
5 which a rebuilt title is required and a similar inspection has not
6 been conducted by another state. The certificate of title for the
7 rebuilt vehicle shall be stamped with the words, "This Rebuilt
8 Vehicle Has Been Inspected ~~By The~~ by the Appropriate State
9 Official".

10 E. 1. The visual inspections and examination of vehicle
11 identification numbers shall include, but not be limited to:

- 12 a. comparison of the vehicle identification numbers with
13 the number recorded on the ownership records,
- 14 b. inspection of the vehicle identification numbers and
15 the VIN plate to detect possible alteration or other
16 fraud,
- 17 c. interpretation of the vehicle identification number
18 recorded on the ownership documents to assure that it
19 accurately describes the motor vehicle in question,
20 and
- 21 d. inspection of the odometer of the vehicle to detect
22 rollback or alteration.

23 2. All vehicle damage shall be repaired before the examination
24 is conducted. The following paperwork shall be presented to the

1 motor license agent: the salvage title and original receipts for
2 all parts placed on the vehicle. Components such as doors, motor,
3 and transmission shall indicate the serial number or the vehicle
4 identification number (VIN) of the auto the part was purchased from
5 or removed from.

6 F. The visual inspection and vehicle identification numbers
7 examination shall be performed by a motor license agent at the
8 location designated by the motor license agent. If the location of
9 the inspection is not the place of business of the rebuilder, the
10 motor license agent shall issue a permit authorizing the applicant
11 to operate the vehicle upon the public streets, roads, and highways
12 in route to and from the designated location for the inspection.
13 The inspection and examination shall be performed within ten (10)
14 working days after the owner of the vehicle requests the inspection
15 and examination. Requests shall be made by completing the request
16 form prescribed and provided by the Tax Commission.

17 G. Inspection and examination of a rebuilt vehicle shall be
18 performed by a person employed by a motor license agent.

19 H. The fee for the examination by the motor license agent shall
20 be Twenty-five Dollars (\$25.00), which shall be paid at the time of
21 issuance of the certificate of title for the rebuilt vehicle. The
22 motor license agent shall retain Five Dollars (\$5.00) and shall
23 remit Twenty Dollars (\$20.00) to the Tax Commission which shall
24 retain Ten Dollars (\$10.00) and transmit Ten Dollars (\$10.00) to the

1 State Treasurer for deposit in the Department of Public Safety
2 Revolving Fund. The motor license agent and its employees and
3 agents may not be sued for and shall not be liable for any damages
4 allegedly arising out of the inspection of a vehicle or any acts or
5 omissions in the performance of the inspection. The motor license
6 agent may be held liable for any damages to the vehicle caused by
7 the negligent acts or omissions in the performance of the
8 inspection. Any person may be liable for any damages to a vehicle
9 caused by the intentional acts or omissions in the performance of
10 the inspection.

11 I. The rebuilt title and any subsequent transfers of such title
12 shall also reflect that the vehicle was a salvage vehicle, flood-
13 damaged vehicle or recovered-theft vehicle, if applicable, and also
14 shall include the salvage date.

15 J. Any title for a motor vehicle issued pursuant to the laws of
16 any other state which reflects that such vehicle is a salvage
17 vehicle, a rebuilt vehicle or a junked vehicle or has any other
18 brand or classification notation by that state shall be retained on
19 the new title issued by the Tax Commission unless the actual
20 documented cost of repairing the vehicle for safe operation on the
21 highway does not exceed sixty percent (60%) of the fair market value
22 of the vehicle as provided by this section.

23 K. When the insurance company pays a loss on a vehicle which is
24 registered at the time of mishap, accident, burning, or flooding,

1 the appropriate certificate of title shall be issued without the
2 payment of additional registration fees or excise taxes, upon the
3 submission of a police report or insurance adjuster's report and a
4 declaration by the insurer that the vehicle is held for sale to a
5 dealer. If the owner of the vehicle or other insured retains
6 ownership of the damaged vehicle, the Tax Commission shall notify
7 the owner or insured of the requirements of this section.

8 L. Any insurance company that pays a claim for a loss where the
9 cost of repairing the vehicle for safe operation on the highway
10 exceeds sixty percent (60%) of the market value of the vehicle or
11 pays a claim for a flood-damaged vehicle as defined in Section 1105
12 of this title shall notify, in writing, the holder of the
13 certificate of title of the requirements of this section and shall
14 notify the Tax Commission of the payment of such claim. The notice
15 shall include the estimated total damage percentage determination of
16 the actual cash value made by the insurance company to repair the
17 vehicle for safe operation on the highway. The insurance company
18 shall also send a copy of the notification to the holder of the
19 title. The Tax Commission shall provide notice to the owner of the
20 vehicle in writing requiring the owner to surrender the title along
21 with the fee to the Tax Commission or one of its motor license
22 agents within thirty (30) days from the receipt of notice for the
23 issuance of the appropriate title based on the amount of loss. The
24 Tax Commission shall reissue the appropriate title with the words

1 "Flood Damaged" on the face of the title in the case of a flood-
2 damaged vehicle; provided, no insurance company shall pay a claim
3 for less than the amount to which the holder of the certificate of
4 title is rightfully entitled in order to avoid compliance with this
5 section.

6 M. Except as provided for in subsection N of this section, any
7 person, firm, corporation, or other legal entity convicted of
8 violating any provision of this section shall be guilty of a
9 misdemeanor and shall be punished by a fine of not less than Three
10 Hundred Dollars (\$300.00) or by incarceration in the county jail for
11 not more than six (6) months, or by both the fine and incarceration.

12 N. Any owner of a titled vehicle who has knowledge that the
13 title is not the proper type for the vehicle and, with intent to
14 misrepresent the vehicle, fails to make the appropriate title
15 changes, shall be guilty of a misdemeanor. Any person who has
16 knowledge that the title is not the proper type for the vehicle, and
17 with intent to misrepresent the vehicle, buys or receives any
18 vehicle for which the appropriate title changes have not been made
19 as required by this act shall be guilty of a misdemeanor. Any
20 person found guilty in accordance with the provisions of this
21 subsection shall be punished by a fine of not more than One Thousand
22 Dollars (\$1,000.00) for the first offense or Five Thousand Dollars
23 (\$5,000.00) for the second or subsequent offense, or by imprisonment
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1 in the county jail for a term not exceeding six (6) months, or by
2 both such fine and imprisonment.

3 O. Any owner of a salvage or junked vehicle shall submit the
4 certificate of title to the Tax Commission or motor license agent
5 for issuance of an appropriate title. Any holder of a certificate
6 of title issued by this state, to a vehicle which no longer exists,
7 shall surrender the certificate of title to the Tax Commission for
8 cancellation. The vehicle identification number on the canceled
9 certificate of title shall be preserved in the computer of the Tax
10 Commission for at least five (5) years.

11 Nothing in this section shall be construed to prevent the
12 transfer of ownership of a vehicle by assignment of the title to a
13 used car dealer, wholesale used car dealer, or a licensed automotive
14 dismantler or parts recycler.

15 SECTION 4. AMENDATORY 68 O.S. 2011, Section 255, is
16 amended to read as follows:

17 Section 255. A. In order to facilitate and expedite the
18 collection of taxes more than ninety (90) days overdue from any
19 taxpayer, the Oklahoma Tax Commission may enter into a contract with
20 a debt collection agency doing business in the State of Oklahoma or
21 in any other state for the collection of such delinquent taxes in
22 addition to all other taxes accrued or accruing, including penalties
23 and interest thereon, from the taxpayer. The contract shall only
24 authorize the debt collection agency to collect tax liabilities

1 which are already established and the Tax Commission shall not refer
2 accounts to the debt collection agency unless the Tax Commission has
3 notified the taxpayer, by first class mail, of the liability and has
4 made additional efforts to collect the debt. Provided, if a sales
5 tax permit holder fails to file two or more sales tax returns, as
6 required under Section 1365 of this title, or a taxpayer required to
7 remit withholding taxes fails to file two or more withholding tax
8 returns, as required under Section 2385.3 of this title, the Tax
9 Commission may refer the accounts to the debt collection agency
10 prior to the establishment of the tax liability, but only after the
11 Commission has notified the taxpayer as required under this
12 subsection.

13 B. If an account has been referred to a debt collection agency,
14 the Tax Commission shall review all payments posted by the
15 collection agency prior to commencing any further collection
16 activity against the taxpayer. Further, the collection agency shall
17 review all payments posted by the Tax Commission prior to commencing
18 any collection activity. The Tax Commission or the collection
19 agency shall, within ten (10) business days, provide the taxpayer
20 with a written confirmation of all payments received and any balance
21 due. In addition, the contract shall not authorize the debt
22 collection agency to conduct audits or examine the books and records
23 of a taxpayer in any manner. The Tax Commission may also enter into
24 a contract with a person doing business in the State of Oklahoma or

1 in any other state for the purpose of identifying and locating the
2 assets of such delinquent taxpayer. Such contracts authorized by
3 this section shall be subject to the provisions of The Oklahoma
4 Central Purchasing Act.

5 C. In addition to the authority provided in subsection A of
6 this section, the Tax Commission may enter into a contract for the
7 purpose of identifying nonresident businesses and individuals who
8 are required by law to file and pay Oklahoma state taxes and who are
9 presently unknown to the Tax Commission.

10 D. Prior to entering into such a contract with a debt
11 collection agency, the Tax Commission shall require that the debt
12 collection agency file a bond in the amount of One Hundred Thousand
13 Dollars (\$100,000.00). The bond shall be a bond from a surety
14 company chartered or authorized to do business in this state, cash
15 bond, certificates of deposits, certificates of savings or U.S.
16 Treasury bonds, as the Tax Commission may deem necessary to
17 guarantee compliance with the terms of the contract.

18 E. Each contract entered into by the Tax Commission with a debt
19 collection agency, pursuant to the provisions of this section, shall
20 specify that fees for services rendered, reimbursements or other
21 remuneration shall be based on the total amount of delinquent taxes,
22 including accrued penalties and interest, which is actually
23 collected. No costs shall be reimbursed unless authorized in the
24 contract. Each contract entered into between the Tax Commission and

1 a debt collection agency shall provide for the payment of fees for
2 such services, reimbursements or other remuneration not in excess of
3 thirty-five percent (35%) of the total amount of delinquent taxes,
4 penalty and interest actually collected. The debt collection agency
5 contract fee shall be added to the amount of the delinquent taxes,
6 accrued penalties and interest collected from the taxpayer. The
7 total amount of the delinquent tax, accrued penalties and interest,
8 and the debt collection agency contract fee shall be owed and
9 collected from the taxpayer.

10 F. Each contract entered into by the Tax Commission with a
11 person for the purpose of identifying and locating assets of
12 delinquent taxpayers shall specify the amount of money to be paid
13 for the performance of such services. No costs shall be reimbursed
14 unless authorized in the contract.

15 G. All such funds collected by a debt collection agency,
16 including the fees for collection services ~~as provided for in such~~
17 ~~contract~~, shall be remitted to the Tax Commission within ~~five (5)~~
18 ~~days~~ a reasonable period of time from the date of collection from a
19 taxpayer, as provided for in such contract. The Tax Commission
20 shall pay from such remitted fees the amount of fees to which such
21 debt collecting agency is entitled for services performed pursuant
22 to the provisions of such contract. All assets of such delinquent
23 taxpayers which are identified and located shall be reported to the
24 Tax Commission within five (5) days from the date of identification

1 and location. Forms to be used for such remittances and reports
2 shall be prescribed by the Tax Commission.

3 H. A debt collection agency entering into a contract with the
4 Tax Commission or a person entering into a contract with the Tax
5 Commission for asset location purposes pursuant to this section
6 shall agree that it is receiving income from sources within this
7 state or doing business in this state for purposes of the Oklahoma
8 tax laws. Debt collection agency employees and/or their agents
9 shall not disclose confidential tax information except as authorized
10 by Section 205 of this title, subject to the penalties contained
11 therein.

12 SECTION 5. AMENDATORY 68 O.S. 2011, Section 500.18, is
13 amended to read as follows:

14 Section 500.18 Except as otherwise provided in this act, the
15 tax imposed by Section ~~4~~ 500.4 of this ~~act~~ title on motor fuel
16 measured by gallons imported from another state shall be paid by
17 the:

18 1. Licensed occasional importer who has imported the nonexempt
19 motor fuel within three (3) business days of the earlier of the time
20 that the nonexempt motor fuel was entered into the state, or the
21 time that a valid import verification number required by subsection
22 F of Section ~~33~~ 500.33 of this ~~act~~ title was assigned by the
23 Commission, under such rules and procedures as the Commission may
24 provide; or

1 2. Licensed bonded importer who has imported the nonexempt
2 motor fuel during a month on or before the ~~twenty-fifth~~ twentieth
3 day of the following month unless such day falls upon a weekend or
4 state or banking holiday, in which case the liability would be due
5 the next succeeding business day.
6 However, if the supplier has made a blanket election to precollect
7 tax under Section ~~49~~ 500.19 of this ~~act~~ title, then the supplier
8 shall become jointly liable with the importer for the tax and shall
9 remit the tax to the Commission on behalf of the importer under the
10 same terms as a supplier payment under Section ~~20~~ 500.20 of this ~~act~~
11 title, and no import verification number shall be required.

12 SECTION 6. AMENDATORY 68 O.S. 2011, Section 500.20, is
13 amended to read as follows:

14 Section 500.20 A. The tax imposed by Section 500.4 of this
15 title, measured by motor fuel removed by a licensed supplier from a
16 terminal or refinery in this state other than a bulk transfer, shall
17 be precollected and remitted on behalf of the retail consumers to
18 the state by the supplier, as shown in the records of the terminal
19 operator, who removes the taxable gallons.

20 B. The supplier, and each reseller, shall list the amount of
21 tax as a separate line item on all invoices or billings.

22 C. All tax to be paid by a supplier with respect to gallons
23 removed on the account of the supplier during a calendar month shall
24 be due and payable on or before the ~~twenty-seventh~~ twentieth day of

1 the following month unless such day falls upon a weekend or state or
2 banking holiday in which case the liability would be due the next
3 succeeding business day.

4 D. A supplier shall remit any late taxes remitted to the
5 supplier by an eligible purchaser and shall timely notify the
6 Commission of any late remittances if that supplier has previously
7 given notice to the Commission of an uncollectible tax amount
8 pursuant to subsection B of Section 500.24 of this title. For the
9 purposes of reporting a payment received on previously claimed
10 uncollectible taxes, any payments made to a supplier on a debt or
11 account shall be applied first proportionally to the gallons sold
12 and the tax thereon, and secondly to interest, service charges, and
13 any other charges.

14 SECTION 7. AMENDATORY 68 O.S. 2011, Section 1001.1, as
15 amended by Section 2, Chapter 401, O.S.L. 2013 (68 O.S. Supp. 2018,
16 Section 1001.1), is amended to read as follows:

17 Section 1001.1 The Oklahoma Tax Commission shall adopt rules
18 and regulations which establish guidelines for the determination of
19 property exempt from ad valorem taxation pursuant to the provisions
20 of subsections § G and ¶ H of Section 1001 of this title. Said
21 guidelines shall include, but are not limited to, the following:

22 1. "Producing leases" means wells or leases or production units
23 which have had production during any of the previous three (3)
24 calendar years which is subject to the gross production tax levied

1 by Section 1001 of this title and which have not been abandoned or
2 required to be plugged as required by law on or before January 1 of
3 the year for which the assessment or valuation is made;

4 2. "Payment of gross production tax" means payment of the tax
5 levied by Section 1001 of this title on production during any of the
6 three (3) calendar years immediately prior to January 1 of the year
7 for which the assessment or valuation is made; and

8 3. Property exempt from ad valorem tax pursuant to the
9 provisions of subsections § G and ¶ H of Section 1001 of this title
10 shall include, but is not limited to, lease production tanks, lease
11 production meters, and disposal systems, including all materials and
12 equipment of disposal systems and the lines transporting the waste
13 materials, serving one or more wells, which are not for commercial
14 purposes. Provided, the exemption shall include the wellbore and
15 non-recoverable down-hole material, including casing, actually used
16 in the commercial disposal of waste materials produced with such oil
17 or gas. Such exempt property shall remain exempt as long as the
18 property is essential to the production of oil and gas in commercial
19 quantities. The county assessor shall be notified when such
20 property becomes nonexempt.

21 SECTION 8. AMENDATORY 68 O.S. 2011, Section 1004, as
22 last amended by Section 8, Chapter 8, 2nd Extraordinary Session,
23 O.S.L. 2018 (68 O.S. Supp. 2018, Section 1004), is amended to read
24 as follows:

1 Section 1004. A. As used in this section:

2 1. "Moving five-year average amount for gas" means, for
3 purposes of the apportionments prescribed by this section, the
4 amount of gross production tax on natural gas collected for each of
5 the five (5) complete fiscal years, as computed by the State Board
6 of Equalization pursuant to Section 34.103 of Title 62 of the
7 Oklahoma Statutes; and

8 2. "Moving five-year average amount for oil" means, for
9 purposes of the apportionments prescribed by this section, the
10 amount of gross production tax on oil collected for each of the five
11 (5) complete fiscal years, as computed by the State Board of
12 Equalization pursuant to Section 34.103 of Title 62 of the Oklahoma
13 Statutes.

14 B. Beginning July 1, 2017, the gross production tax provided
15 for in Section 1001 of this title is hereby levied and shall be
16 collected and apportioned as follows:

17 1. For all monies collected from the tax levied on asphalt or
18 ores bearing uranium, lead, zinc, jack, gold, silver or copper:

19 a. eighty-five and seventy-two one-hundredths percent
20 (85.72%) shall be paid to the State Treasurer of the
21 state to be placed in the General Revenue Fund of the
22 state and used for the general expense of state
23 government, to be paid out pursuant to direct
24 appropriation by the Legislature,

1 b. seven and fourteen one-hundredths percent (7.14%) of
2 the sum collected from natural gas and/or casinghead
3 gas or asphalt or ores bearing uranium, lead, zinc,
4 jack, gold, silver or copper shall be paid to the
5 various county treasurers to be credited to the County
6 Highway Fund as follows: Each county shall receive a
7 proportionate share of the funds available based upon
8 the proportion of the total value of production from
9 such county in the corresponding month of the
10 preceding year, and

11 c. seven and fourteen one-hundredths percent (7.14%)
12 shall be allocated to each county as provided for in
13 subparagraph b of this paragraph and shall be
14 apportioned, on an average daily attendance per capita
15 distribution basis, as certified by the State
16 Superintendent of Public Instruction to the school
17 districts of the county where such pupils attend
18 school regardless of residence of such pupil, provided
19 the school district makes an ad valorem tax levy of
20 fifteen (15) mills for the current year and maintains
21 twelve (12) years of instruction;

22 2. For all monies collected from the tax levied on natural gas
23 and/or casinghead gas at a tax rate of seven percent (7%) pursuant
24 to the provisions of subsection B of Section 1001 of this title:

1 a. after the total revenue apportioned to the General
2 Revenue Fund as prescribed by subparagraph b of this
3 paragraph equals the moving five-year average amount
4 for gas as defined by paragraph 1 of subsection A of
5 this section, there shall be apportioned from the
6 gross production tax levy imposed pursuant to Section
7 1001 of this title on natural gas and/or casinghead
8 gas to the Revenue Stabilization Fund created by
9 Section 34.102 of Title 62 of the Oklahoma Statutes,
10 the amount of revenue, if any, which exceeds the
11 moving five-year average amount for gas as defined
12 pursuant to paragraph 1 of subsection A of this
13 section,

14 b. until the apportionment to the General Revenue Fund
15 equals the moving five-year average amount for gas as
16 prescribed by paragraph 1 of subsection A of this
17 section, eighty-five and seventy-two one-hundredths
18 percent (85.72%) shall be paid to the State Treasurer
19 of the state to be placed in the General Revenue Fund
20 of the state and used for the general expense of state
21 government, to be paid out pursuant to direct
22 appropriation by the Legislature,

23 c. before any other apportionment of revenue has been
24 made pursuant to this paragraph, seven and fourteen

1 one-hundredths percent (7.14%) of the sum collected
2 from natural gas and/or casinghead gas shall be paid
3 to the various county treasurers to be credited to the
4 County Highway Fund as follows: Each county shall
5 receive a proportionate share of the funds available
6 based upon the proportion of the total value of
7 production from such county in the corresponding month
8 of the preceding year, and

9 d. before any other apportionment of revenue has been
10 made pursuant to this paragraph, seven and fourteen
11 one-hundredths percent (7.14%) shall be allocated to
12 each county as provided for in subparagraph c of this
13 paragraph and shall be apportioned, on an average
14 daily attendance per capita distribution basis, as
15 certified by the State Superintendent of Public
16 Instruction to the school districts of the county
17 where such pupils attend school regardless of
18 residence of such pupil, provided the school district
19 makes an ad valorem tax levy of fifteen (15) mills for
20 the current year and maintains twelve (12) years of
21 instruction;

22 3. For all monies collected from the tax levied on natural gas
23 and/or casinghead gas at a tax rate of four percent (4%) pursuant to
24

1 the provisions of ~~subsections~~ subsection B and E of Section 1001 of
2 this title:

3 a. after the total revenue apportioned to the General
4 Revenue Fund as prescribed by subparagraph b of this
5 paragraph equals the moving five-year average amount
6 for gas as defined by paragraph 1 of subsection A of
7 this section, there shall be apportioned from the
8 gross production tax levy imposed pursuant to Section
9 1001 of this title on natural gas and/or casinghead
10 gas to the Revenue Stabilization Fund created pursuant
11 to Section 34.102 of Title 62 of the Oklahoma
12 Statutes, the amount of revenue, if any, which exceeds
13 the moving five-year average amount for gas as defined
14 pursuant to paragraph 1 of subsection A of this
15 section,

16 b. until the apportionment to the General Revenue Fund
17 equals the moving five-year average amount for gas as
18 prescribed by paragraph 1 of subsection A of this
19 section, seventy-five percent (75%) shall be paid to
20 the State Treasurer of the state to be placed in the
21 General Revenue Fund of the state and used for the
22 general expense of state government, to be paid out
23 pursuant to direct appropriation by the Legislature,
24

1 c. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twelve and one-half
3 percent (12.5%) of the sum collected from natural gas
4 and/or casinghead gas shall be paid to the various
5 county treasurers to be credited to the County Highway
6 Fund as follows: Each county shall receive a
7 proportionate share of the funds available based upon
8 the proportion of the total value of production from
9 such county in the corresponding month of the
10 preceding year, and

11 d. before any other apportionment of revenue has been
12 made pursuant to this paragraph, twelve and one-half
13 percent (12.5%) shall be allocated to each county as
14 provided for in subparagraph c of this paragraph and
15 shall be apportioned, on an average daily attendance
16 per capita distribution basis, as certified by the
17 State Superintendent of Public Instruction to the
18 school districts of the county where such pupils
19 attend school regardless of residence of such pupil,
20 provided the school district makes an ad valorem tax
21 levy of fifteen (15) mills for the current year and
22 maintains twelve (12) years of instruction;

1 4. For all monies collected from the tax levied on natural gas
2 and/or casinghead gas at a tax rate of one percent (1%) pursuant to
3 the provisions of subsection B of Section 1001 of this title:

4 a. fifty percent (50%) of the sum collected from natural
5 gas and/or casinghead gas shall be paid to the various
6 county treasurers to be credited to the County Highway
7 Fund as follows: Each county shall receive a
8 proportionate share of the funds available based upon
9 the proportion of the total value of production from
10 such county in the corresponding month of the
11 preceding year, and

12 b. fifty percent (50%) shall be allocated to each county
13 as provided for in subparagraph a of this paragraph
14 and shall be apportioned, on an average daily
15 attendance per capita distribution basis, as certified
16 by the State Superintendent of Public Instruction to
17 the school districts of the county where such pupils
18 attend school regardless of residence of such pupil,
19 provided the school district makes an ad valorem tax
20 levy of fifteen (15) mills for the current year and
21 maintains twelve (12) years of instruction;

22 5. For all monies collected from the tax levied on natural gas
23 and/or casinghead gas at a tax rate of two percent (2%) pursuant to
24

1 the provisions of ~~subparagraph c~~ of paragraph 3 of subsection B of
2 Section 1001 of this title:

- 3 a. after the total revenue apportioned to the General
4 Revenue Fund as prescribed by subparagraph b of this
5 paragraph equals the moving five-year average amount
6 for gas as defined by paragraph 1 of subsection A of
7 this section, there shall be apportioned from the
8 gross production tax levy imposed pursuant to Section
9 1001 of this title on gas to the Revenue Stabilization
10 Fund created by Section 34.102 of Title 62 of the
11 Oklahoma Statutes, the amount of revenue, if any,
12 which exceeds the moving five-year average amount for
13 natural gas and/or casinghead gas as defined pursuant
14 to paragraph 1 of subsection A of this section,
- 15 b. until the apportionment to the General Revenue Fund
16 equals the moving five-year average amount for gas as
17 prescribed by paragraph 1 of subsection A of this
18 section, fifty percent (50%) shall be paid to the
19 State Treasurer to be placed in the General Revenue
20 Fund of the state and used for the general expense of
21 state government, to be paid out pursuant to direct
22 appropriation by the Legislature,
- 23 c. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twenty-five percent

1 (25%) of the sum collected from natural gas and/or
2 casinghead gas shall be paid to the various county
3 treasurers to be credited to the County Highway Fund
4 as follows: Each county shall receive a proportionate
5 share of the funds available based upon the proportion
6 of the total value of production from such county in
7 the corresponding month of the preceding year, and

8 d. before any other apportionment of revenue has been
9 made pursuant to this paragraph, twenty-five percent
10 (25%) shall be allocated to each county as provided
11 for in subparagraph c of this paragraph and shall be
12 apportioned on an average daily attendance per capita
13 distribution basis, as certified by the State
14 Superintendent of Public Instruction, to the school
15 districts of the county where such pupils attend
16 school regardless of residence of such pupil, provided
17 the school district makes an ad valorem tax levy of
18 fifteen (15) mills for the current year and maintains
19 twelve (12) years of instruction;

20 6. For all monies collected from the tax levied on oil at a tax
21 rate of seven percent (7%) pursuant to the provisions of subsection
22 B of Section 1001 of this title:

23 a. there shall be apportioned from the gross production
24 tax levy imposed pursuant to Section 1001 of this

1 title on oil to the Revenue Stabilization Fund created
2 by Section 34.102 of Title 62 of the Oklahoma
3 Statutes, after the applicable maximum amount
4 prescribed by subsection C of this section has been
5 deposited to the funds therein specified, the amount
6 of revenue, if any, which would otherwise be
7 apportioned to the General Revenue Fund and which
8 exceeds the moving five-year average amount for oil as
9 defined pursuant to paragraph 2 of subsection A of
10 this section,

11 b. before any other apportionment of revenue has been
12 made pursuant to this paragraph, twenty-five and
13 seventy-two one-hundredths percent (25.72%) shall be
14 paid to the State Treasurer to be placed in the Common
15 Education Technology Revolving Fund created in Section
16 34.90 of Title 62 of the Oklahoma Statutes,

17 c. before any other apportionment of revenue has been
18 made pursuant to this paragraph, twenty-five and
19 seventy-two one-hundredths percent (25.72%) shall be
20 paid to the State Treasurer to be placed in the Higher
21 Education Capital Revolving Fund created in Section
22 34.91 of Title 62 of the Oklahoma Statutes,

23 d. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twenty-five and

1 seventy-two one-hundredths percent (25.72%) shall be
2 paid to the State Treasurer to be placed in the
3 Oklahoma Student Aid Revolving Fund created in Section
4 34.92 of Title 62 of the Oklahoma Statutes,

5 e. before any other apportionment of revenue has been
6 made pursuant to this paragraph, three and seven
7 hundred forty-five one-thousandths percent (3.745%)
8 shall be distributed to the various counties of the
9 state for deposit into the County Bridge and Road
10 Improvement Fund of each county based on a formula
11 developed by the Department of Transportation and
12 approved by the Department of Transportation County
13 Advisory Board created pursuant to Section 302.1 of
14 Title 69 of the Oklahoma Statutes to be used for the
15 purposes set forth in the County Bridge and Road
16 Improvement Act. The formula shall be similar to the
17 formula currently used for the distribution of monies
18 in the County Bridge Program funds, but shall also
19 take into consideration the effect of the terrain and
20 traffic volume as related to county road improvement
21 and maintenance costs,

22 f. before any other apportionment of revenue has been
23 made pursuant to this paragraph, four and twenty-eight
24

1 one-hundredths percent (4.28%) shall be paid to the
2 State Treasurer to be apportioned to:

3 (1) the following sources and in the following
4 amounts through the fiscal year ending June 30,
5 2019:

6 (a) thirty-three and one-third percent (33 1/3%)
7 to the Oklahoma Tourism and Recreation
8 Department Capital Expenditure Revolving
9 Fund created pursuant to Section 2254.1 of
10 Title 74 of the Oklahoma Statutes,

11 (b) thirty-three and one-third percent (33 1/3%)
12 to the Oklahoma Conservation Commission
13 Infrastructure Revolving Fund created
14 pursuant to Section 3-2-110 of Title 27A of
15 the Oklahoma Statutes, and

16 (c) thirty-three and one-third percent (33 1/3%)
17 to the Community Water Infrastructure
18 Development Revolving Fund created pursuant
19 to Section 1085.7A of Title 82 of the
20 Oklahoma Statutes, and

21 (2) the Oklahoma Water Resources Board Rural Economic
22 Action Plan Water Projects Fund for the fiscal
23 year beginning July 1, 2019, and for each fiscal
24 year thereafter,

1 g. before any other apportionment of revenue has been
2 made pursuant to this paragraph, seven and fourteen
3 one-hundredths percent (7.14%) of the sum collected
4 from oil shall be paid to the various county
5 treasurers, to be credited to the County Highway Fund
6 as follows: Each county shall receive a proportionate
7 share of the funds available based upon the proportion
8 of the total value of production from such county in
9 the corresponding month of the preceding year,

10 h. before any other apportionment of revenue has been
11 made pursuant to this paragraph, seven and fourteen
12 one-hundredths percent (7.14%) shall be allocated to
13 each county as provided in subparagraph g of this
14 paragraph and shall be apportioned, on an average
15 daily attendance per capita distribution basis, as
16 certified by the State Superintendent of Public
17 Instruction, to the school districts of the county
18 where such pupils attend school regardless of
19 residence of such pupil, provided the school district
20 makes an ad valorem tax levy of fifteen (15) mills for
21 the current year and maintains twelve (12) years of
22 instruction, and

23 i. before any other apportionment of revenue has been
24 made pursuant to this paragraph, five hundred thirty-

1 five one-thousandths percent (0.535%) of the levy
2 shall be transmitted by the Oklahoma Tax Commission to
3 the Statewide Circuit Engineering District Revolving
4 Fund as created in Section 687.2 of Title 69 of the
5 Oklahoma Statutes;

6 7. For all monies collected from the tax levied on oil at a tax
7 rate of four percent (4%) pursuant to the provisions of subsections
8 B and E of Section 1001 of this title:

9 a. there shall be apportioned from the gross production
10 tax levy imposed pursuant to Section 1001 of this
11 title on oil to the Revenue Stabilization Fund created
12 by Section 34.102 of Title 62 of the Oklahoma
13 Statutes, after the applicable maximum amount
14 prescribed by subsection C of this section has been
15 deposited to the funds therein specified, the amount
16 of revenue, if any, which would otherwise be
17 apportioned to the General Revenue Fund and which
18 exceeds the moving five-year average amount for oil as
19 defined pursuant to paragraph 2 of subsection A of
20 this section,

21 b. before any other apportionment of revenue has been
22 made pursuant to this paragraph, twenty-two and one-
23 half percent (22.5%) shall be paid to the State
24 Treasurer to be placed in the Common Education

1 Technology Revolving Fund created in Section 34.90 of
2 Title 62 of the Oklahoma Statutes,

3 c. before any other apportionment of revenue has been
4 made pursuant to this paragraph, twenty-two and one-
5 half percent (22.5%) shall be paid to the State
6 Treasurer to be placed in the Higher Education Capital
7 Revolving Fund created in Section 34.91 of Title 62 of
8 the Oklahoma Statutes,

9 d. before any other apportionment of revenue has been
10 made pursuant to this paragraph, twenty-two and one-
11 half percent (22.5%) shall be paid to the State
12 Treasurer to be placed in the Oklahoma Student Aid
13 Revolving Fund created in Section 34.92 of Title 62 of
14 the Oklahoma Statutes,

15 e. before any other apportionment of revenue has been
16 made pursuant to this paragraph, three and twenty-
17 eight one-hundredths percent (3.28%) shall be
18 distributed to the various counties of the state for
19 deposit into the County Bridge and Road Improvement
20 Fund of each county based on a formula developed by
21 the Department of Transportation and approved by the
22 Department of Transportation County Advisory Board
23 created pursuant to Section 302.1 of Title 69 of the
24 Oklahoma Statutes to be used for the purposes set

1 forth in the County Bridge and Road Improvement Act.
2 The formula shall be similar to the formula currently
3 used for the distribution of monies in the County
4 Bridge Program funds, but shall also take into
5 consideration the effect of the terrain and traffic
6 volume as related to county road improvement and
7 maintenance costs,

8 f. before any other apportionment of revenue has been
9 made pursuant to this paragraph, three and seventy-
10 five one-hundredths percent (3.75%) shall be paid to
11 the State Treasurer to be apportioned to:

12 (1) the following sources and in the following
13 amounts through the fiscal year ending June 30,
14 2019:

15 (a) thirty-three and one-third percent (33 1/3%)
16 to the Oklahoma Tourism and Recreation
17 Department Capital Expenditure Revolving
18 Fund created pursuant to Section 2254.1 of
19 Title 74 of the Oklahoma Statutes,

20 (b) thirty-three and one-third percent (33 1/3%)
21 to the Oklahoma Conservation Commission
22 Infrastructure Revolving Fund created
23 pursuant to Section 3-2-110 of Title 27A of
24 the Oklahoma Statutes, and

1 (c) thirty-three and one-third percent (33 1/3%)
2 to the Community Water Infrastructure
3 Development Revolving Fund created pursuant
4 to Section 1085.7A of Title 82 of the
5 Oklahoma Statutes, and

6 (2) the Oklahoma Water Resources Board Rural Economic
7 Action Plan Water Projects Fund for the fiscal
8 year beginning July 1, 2019, and for each fiscal
9 year thereafter,

10 g. before any other apportionment of revenue has been
11 made pursuant to this paragraph, twelve and one-half
12 percent (12.5%) of the sum collected from oil shall be
13 paid to the various county treasurers, to be credited
14 to the County Highway Fund as follows: Each county
15 shall receive a proportionate share of the funds
16 available based upon the proportion of the total value
17 of production from such county in the corresponding
18 month of the preceding year,

19 h. before any other apportionment of revenue has been
20 made pursuant to this paragraph, twelve and one-half
21 percent (12.5%) shall be allocated to each county as
22 provided in subparagraph g of this paragraph and shall
23 be apportioned on an average daily attendance per
24 capita distribution basis, as certified by the State

1 Superintendent of Public Instruction, to the school
2 districts of the county where such pupils attend
3 school regardless of residence of such pupil, provided
4 the school district makes an ad valorem tax levy of
5 fifteen (15) mills for the current year and maintains
6 twelve (12) years of instruction, and

- 7 i. before any other apportionment of revenue has been
8 made pursuant to this paragraph, forty-seven one-
9 hundredths percent (0.47%) of the levy shall be
10 transmitted by the Tax Commission to the Statewide
11 Circuit Engineering District Revolving Fund as created
12 in Section 687.2 of Title 69 of the Oklahoma Statutes;

13 8. For all monies collected from the tax levied on oil at a tax
14 rate of one percent (1%) pursuant to the provisions of subsection B
15 of Section 1001 of this title:

- 16 a. fifty percent (50%) of the sum collected shall be paid
17 to the various county treasurers, to be credited to
18 the County Highway Fund as follows: Each county shall
19 receive a proportionate share of the funds available
20 based upon the proportion of the total value of
21 production from such county in the corresponding month
22 of the preceding year, and
23 b. fifty percent (50%) shall be allocated to each county
24 as provided for in subparagraph a of this paragraph

1 and shall be apportioned on an average daily
2 attendance per capita distribution basis, as certified
3 by the State Superintendent of Public Instruction, to
4 the school districts of the county where such pupils
5 attend school regardless of residence of such pupil,
6 provided the school district makes an ad valorem tax
7 levy of fifteen (15) mills for the current year and
8 maintains twelve (12) years of instruction;

9 9. For all monies collected from the tax levied on oil at a tax
10 rate of two percent (2%) pursuant to the provisions of ~~subparagraph~~
11 ~~e of~~ paragraph 3 of subsection B of Section 1001 of this title:

- 12 a. there shall be apportioned from the gross production
13 tax levy imposed pursuant to Section 1001 of this
14 title on oil to the Revenue Stabilization Fund created
15 by Section 34.102 of Title 62 of the Oklahoma
16 Statutes, the amount of revenue, if any, which exceeds
17 the moving five-year average amount for oil as defined
18 pursuant to paragraph 2 of subsection A of this
19 section,
- 20 b. until the apportionment to the General Revenue Fund
21 equals the moving five-year average amount for oil as
22 prescribed by paragraph 2 of subsection A of this
23 section, fifty percent (50%) shall be paid to the
24 State Treasurer to be placed in the General Revenue

1 Fund of the state and used for the general expense of
2 state government, to be paid out pursuant to direct
3 appropriation by the Legislature,

4 c. before any other apportionment of revenue has been
5 made pursuant to this paragraph, twenty-five percent
6 (25%) of the sum collected from oil shall be paid to
7 the various county treasurers, to be credited to the
8 County Highway Fund as follows: Each county shall
9 receive a proportionate share of the funds available
10 based upon the proportion of the total value of
11 production from such county in the corresponding month
12 of the preceding year, and

13 d. before any other apportionment of revenue has been
14 made pursuant to this paragraph, twenty-five percent
15 (25%) shall be allocated to each county as provided in
16 subparagraph c of this paragraph and shall be
17 apportioned on an average daily attendance per capita
18 distribution basis, as certified by the State
19 Superintendent of Public Instruction, to the school
20 districts of the county where such pupils attend
21 school regardless of residence of such pupil, provided
22 the school district makes an ad valorem tax levy of
23 fifteen (15) mills for the current year and maintains
24 twelve (12) years of instruction;

1 10. On or after the effective date of this act, the gross
2 production tax levied on natural gas or casinghead gas at the rate
3 of five percent (5%) provided for in paragraph 3 of subsection B of
4 Section 1001 of this title shall be apportioned as follows:

5 a. after the total revenue apportioned to the General
6 Revenue Fund as prescribed by subparagraph b of this
7 paragraph equals the moving five-year average amount
8 for gas as defined by paragraph 1 of subsection A of
9 this section, there shall be apportioned from the
10 gross production tax levy imposed pursuant to Section
11 1001 of this title on natural gas and/or casinghead
12 gas to the Revenue Stabilization Fund created pursuant
13 to Section 34.102 of Title 62 of the Oklahoma
14 Statutes, the amount of revenue, if any, which exceeds
15 the moving five-year average amount for gas as defined
16 pursuant to paragraph 1 of subsection A of this
17 section,

18 b. until the apportionment to the General Revenue Fund
19 equals the moving five-year average amount for gas as
20 prescribed by paragraph 1 of subsection A of this
21 section, eighty percent (80%) shall be paid to the
22 State Treasurer of the state to be placed in the
23 General Revenue Fund of the state and used for the
24

1 general expense of state government, to be paid out
2 pursuant to direct appropriation by the Legislature,
3 c. before any other apportionment of revenue has been
4 made pursuant to this paragraph, ten percent (10%) of
5 the sum collected from natural gas and/or casinghead
6 gas shall be paid to the various county treasurers to
7 be credited to the County Highway Fund as follows:
8 Each county shall receive a proportionate share of the
9 funds available based upon the proportion of the total
10 value of production from such county in the
11 corresponding month of the preceding year, and
12 d. before any other apportionment of revenue has been
13 made pursuant to this paragraph, ten percent (10%)
14 shall be allocated to each county as provided for in
15 subparagraph c of this paragraph and shall be
16 apportioned, on an average daily attendance per capita
17 distribution basis, as certified by the State
18 Superintendent of Public Instruction to the school
19 districts of the county where such pupils attend
20 school regardless of residence of such pupil, provided
21 the school district makes an ad valorem tax levy of
22 fifteen (15) mills for the current year and maintains
23 twelve (12) years of instruction; and
24

1 11. On or after the effective date of this act, the gross
2 production tax on oil levied at the rate of five percent (5%)
3 provided for in paragraph 3 of subsection B of Section 1001 of this
4 title shall be apportioned as follows:

5 a. there shall be apportioned from the gross production
6 tax levy imposed pursuant to Section 1001 of this
7 title on oil to the Revenue Stabilization Fund created
8 by Section 34.102 of Title 62 of the Oklahoma
9 Statutes, after the applicable maximum amount
10 prescribed by subsection C of this section has been
11 deposited to the funds therein specified, the amount
12 of revenue, if any, which would otherwise be
13 apportioned to the General Revenue Fund and which
14 exceeds the moving five-year average amount for oil as
15 defined pursuant to paragraph 2 of subsection A of
16 this section,

17 b. before any other apportionment of revenue has been
18 made pursuant to this paragraph, twenty-three and
19 seventy-five one-hundredths percent (23.75%) shall be
20 paid to the State Treasurer to be placed in the Common
21 Education Technology Revolving Fund created in Section
22 34.90 of Title 62 of the Oklahoma Statutes,

23 c. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twenty-three and

1 seventy-five one-hundredths percent (23.75%) shall be
2 paid to the State Treasurer to be placed in the Higher
3 Education Capital Revolving Fund created in Section
4 34.91 of Title 62 of the Oklahoma Statutes,

5 d. before any other apportionment of revenue has been
6 made pursuant to this paragraph, twenty-three and
7 seventy-five one-hundredths percent (23.75%) shall be
8 paid to the State Treasurer to be placed in the
9 Oklahoma Student Aid Revolving Fund created in Section
10 34.92 of Title 62 of the Oklahoma Statutes,

11 e. before any other apportionment of revenue has been
12 made pursuant to this paragraph, three and twenty-
13 eight one-hundredths percent (3.28%) shall be
14 distributed to the various counties of the state for
15 deposit into the County Bridge and Road Improvement
16 Fund of each county based on a formula developed by
17 the Department of Transportation and approved by the
18 Department of Transportation County Advisory Board
19 created pursuant to Section 302.1 of Title 69 of the
20 Oklahoma Statutes to be used for the purposes set
21 forth in the County Bridge and Road Improvement Act.
22 The formula shall be similar to the formula currently
23 used for the distribution of monies in the County
24 Bridge Program funds, but shall also take into

1 consideration the effect of the terrain and traffic
2 volume as related to county road improvement and
3 maintenance costs,

4 f. before any other apportionment of revenue has been
5 made pursuant to this paragraph, five percent (5%)
6 shall be paid to the State Treasurer to be apportioned
7 to:

8 (1) the following sources and in the following
9 amounts through the fiscal year ending June 30,
10 2019:

11 (a) thirty-three and one-third percent (33 1/3%)
12 to the Oklahoma Tourism and Recreation
13 Department Capital Expenditure Revolving
14 Fund created pursuant to Section 2254.1 of
15 Title 74 of the Oklahoma Statutes,

16 (b) thirty-three and one-third percent (33 1/3%)
17 to the Oklahoma Conservation Commission
18 Infrastructure Revolving Fund created
19 pursuant to Section 3-2-110 of Title 27A of
20 the Oklahoma Statutes, and

21 (c) thirty-three and one-third percent (33 1/3%)
22 to the Community Water Infrastructure
23 Development Revolving Fund created pursuant
24

1 to Section 1085.7A of Title 82 of the
2 Oklahoma Statutes, and

3 (2) the Oklahoma Water Resources Board Rural Economic
4 Action Plan Water Projects Fund for the fiscal
5 year beginning July 1, 2019, and for each fiscal
6 year thereafter,

7 g. before any other apportionment of revenue has been
8 made pursuant to this paragraph, ten percent (10%) of
9 the sum collected from oil shall be paid to the
10 various county treasurers, to be credited to the
11 County Highway Fund as follows: Each county shall
12 receive a proportionate share of the funds available
13 based upon the proportion of the total value of
14 production from such county in the corresponding month
15 of the preceding year,

16 h. before any other apportionment of revenue has been
17 made pursuant to this paragraph, ten percent (10%)
18 shall be allocated to each county as provided in
19 subparagraph g of this paragraph and shall be
20 apportioned on an average daily attendance per capita
21 distribution basis, as certified by the State
22 Superintendent of Public Instruction, to the school
23 districts of the county where such pupils attend
24 school regardless of residence of such pupil, provided

1 the school district makes an ad valorem tax levy of
2 fifteen (15) mills for the current year and maintains
3 twelve (12) years of instruction, and

- 4 i. before any other apportionment of revenue has been
5 made pursuant to this paragraph, forty-seven one-
6 hundredths percent (0.47%) of the levy shall be
7 transmitted by the Tax Commission to the Statewide
8 Circuit Engineering District Revolving Fund as created
9 in Section 687.2 of Title 69 of the Oklahoma Statutes.

10 C. Provided, notwithstanding any other provision of this
11 section, the total amounts deposited to the Common Education
12 Technology Revolving Fund, the Higher Education Capital Revolving
13 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
14 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
15 Department Capital Expenditure Revolving Fund, the Oklahoma
16 Conservation Commission Infrastructure Revolving Fund and the
17 Community Water Infrastructure Development Revolving Fund pursuant
18 to paragraphs 6, 7 and 11 of subsection B of this section shall not
19 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any
20 fiscal year. Except as otherwise provided in this subsection, all
21 sums in excess of One Hundred Fifty Million Dollars
22 (\$150,000,000.00) in any fiscal year which would otherwise be
23 deposited in such funds shall be apportioned by the Oklahoma Tax
24 Commission to the General Revenue Fund of the state.

1 SECTION 9. AMENDATORY 68 O.S. 2011, Section 1365, is
2 amended to read as follows:

3 Section 1365. When Tax Due - Reports - Records.

4 A. The tax levied hereunder shall be due and payable on the
5 first day of each month, except as herein provided, by any person
6 liable to remit or pay any tax due under Section 1350 et seq. of
7 this title. For the purpose of ascertaining the amount of the tax
8 payable, it shall be the duty of all tax remitters, on or before the
9 twentieth day of each month, to deliver to the Oklahoma Tax
10 Commission, upon forms prescribed and furnished by it, sales tax
11 reports signed under oath, showing the gross receipts or gross
12 proceeds arising from all sales taxable or nontaxable under Section
13 1350 et seq. of this title during the preceding calendar month.
14 Such reports shall show such further information as the Tax
15 Commission may require to enable it to compute correctly and collect
16 the tax herein levied. In addition to the information required on
17 reports, the Tax Commission may request and the taxpayer must
18 furnish any information deemed necessary for a correct computation
19 of the tax levied herein. Such tax remitter shall compute and remit
20 to the Tax Commission the required tax due for the preceding
21 calendar month, the remittance or remittances of the tax to
22 accompany the reports herein required. If not filed on or before
23 the twentieth day of such month, the tax shall be delinquent from
24 such date. Reports timely mailed shall be considered timely filed.

1 If a report is not timely filed, interest shall be charged from the
2 date the report should have been filed until the report is actually
3 filed.

4 B. Effective July 1, 2001, every person owing an average of One
5 Hundred Thousand Dollars (\$100,000.00) or more per month in total
6 sales taxes in the previous fiscal year shall remit the tax due and
7 shall participate in the Tax Commission's electronic funds transfer
8 and electronic data interchange program, according to the following
9 schedule:

10 1. For sales from the first day through the fifteenth day of
11 each month, the tax shall be due and payable on the twentieth day of
12 such month and remitted to the Tax Commission by electronic funds
13 transfer. A taxpayer will be considered to have complied with the
14 reporting requirements of this paragraph if, on or before the
15 twentieth day of such month, the taxpayer paid at least ninety
16 percent (90%) of the liability for that fifteen-day period or at
17 least fifty percent (50%) of the taxpayer's liability in the
18 immediate preceding calendar year for the same month as the month in
19 which the fifteen-day period occurs; and

20 2. For sales from the sixteenth day through the end of each
21 month, the tax shall be due and payable on the twentieth day of the
22 following month and remitted to the Tax Commission by electronic
23 funds transfer.

24

1 Every person required to remit the tax due pursuant to this
2 subsection shall file its monthly sales tax report in accordance
3 with the Tax Commission's electronic data interchange program on the
4 twentieth day of the month following the month the sales occurred.

5 Taxes not paid on or before the due dates specified in this
6 subsection shall be delinquent from such dates.

7 C. Effective March 1, 2002, every person owing an average of
8 Twenty-five Thousand Dollars (\$25,000.00) or more per month in total
9 sales taxes in the previous fiscal year shall remit the tax due and
10 shall participate in the Tax Commission's electronic funds transfer
11 and electronic data interchange program, according to the following
12 schedule:

13 1. For sales from the first day through the fifteenth day of
14 each month, the tax shall be due and payable on the twentieth day of
15 such month and remitted to the Tax Commission by electronic funds
16 transfer. A taxpayer will be considered to have complied with the
17 reporting requirements of this paragraph if, on or before the
18 twentieth day of such month, the taxpayer paid at least ninety
19 percent (90%) of the liability for that fifteen-day period or at
20 least fifty percent (50%) of the taxpayer's liability in the
21 immediate preceding calendar year for the same month as the month in
22 which the fifteen-day period occurs; and

23 2. For sales from the sixteenth day through the end of each
24 month, the tax shall be due and payable on the twentieth day of the

1 following month and remitted to the Tax Commission by electronic
2 funds transfer.

3 Every person required to remit the tax due pursuant to this
4 subsection shall file its monthly sales tax report in accordance
5 with the Tax Commission's electronic data interchange program on the
6 twentieth day of the month following the month the sales occurred.
7 Provided, persons primarily engaged in selling lumber and other
8 building materials, including cement and concrete, except for home
9 centers classified under Industry No. 444110 of the North American
10 Industrial Classification System (NAICS) Manual, shall remit and
11 report as required in subsection A of this section, with the
12 exception of taxes due on sales made during the periods of June 1
13 through June 15, 2002, which shall be remitted and reported on June
14 20, 2002, and June 1 through June 15, 2003, which shall be remitted
15 and reported on June 20, 2003.

16 Taxes not paid on or before the due dates specified in this
17 subsection shall be delinquent from such dates.

18 D. Effective October 1, 2003, every person owing ~~an average of~~
19 Two Thousand Five Hundred Dollars (\$2,500.00) or more per month in
20 total sales taxes in the ~~previous fiscal year~~ immediately preceding
21 twelve-month period shall remit the tax due and shall participate in
22 the Tax Commission's electronic funds transfer and electronic data
23 interchange program, according to the following schedule:

24

1 1. For sales from the first day through the fifteenth day of
2 each month, the tax shall be due and payable on the twentieth day of
3 such month and remitted to the Tax Commission by electronic funds
4 transfer. A taxpayer will be considered to have complied with the
5 reporting requirements of this paragraph if, on or before the
6 twentieth day of such month, the taxpayer paid at least ninety
7 percent (90%) of the liability for that fifteen-day period or at
8 least fifty percent (50%) of the taxpayer's liability in the
9 immediate preceding calendar year for the same month as the month in
10 which the fifteen-day period occurs; and

11 2. For sales from the sixteenth day through the end of each
12 month, the tax shall be due and payable on the twentieth day of the
13 following month and remitted to the Tax Commission by electronic
14 funds transfer.

15 Every person required to remit the tax due pursuant to this
16 subsection shall file its monthly sales tax report in accordance
17 with the Tax Commission's electronic data interchange program on the
18 twentieth day of the month following the month the sales occurred.
19 Provided, persons primarily engaged in selling lumber and other
20 building materials, including cement and concrete, except for home
21 centers classified under Industry No. 444110 of the North American
22 Industrial Classification System (NAICS) Manual, shall remit and
23 report as required in subsection A of this section.

24

1 Taxes not paid on or before the due dates specified in this
2 subsection shall be delinquent from such dates.

3 E. In lieu of monthly reports, tax remitters or taxpayers who
4 are classified as Group Three vendors in Section 1350 et seq. of
5 this title or tax remitters or taxpayers whose total amount of tax
6 liability for any one month does not exceed Fifty Dollars (\$50.00)
7 may file semiannual reports and remit taxes due thereunder to the
8 Tax Commission on or before the twentieth day of January and July of
9 each year for the preceding six-month period. If not paid on or
10 before the twentieth day of such month, the tax shall be delinquent.

11 F. It shall be the duty of every tax remitter required to make
12 a sales tax report and pay any tax under Section 1350 et seq. of
13 this title to keep and preserve suitable records of the gross daily
14 sales together with invoices of purchases and sales, bills of
15 lading, bills of sale and other pertinent records and documents
16 which may be necessary to determine the amount of tax due hereunder
17 and such other records of goods, wares and merchandise, and other
18 subjects of taxation under Section 1350 et seq. of this title as
19 will substantiate and prove the accuracy of such returns. It shall
20 also be the duty of every person who makes sales for resale to keep
21 records of such sales which shall be subject to examination by the
22 Tax Commission or any authorized employee thereof while engaged in
23 checking or auditing the records of any person required to make a
24 report under the terms of Section 1350 et seq. of this title. All

1 such records shall remain in Oklahoma and be preserved for a period
2 of three (3) years, unless the Tax Commission, in writing, has
3 authorized their destruction or disposal at an earlier date, and
4 shall be open to examination at any time by the Tax Commission or by
5 any of its duly authorized agents. The burden of proving that a
6 sale was not a taxable sale shall be upon the person who made the
7 sale.

8 G. The purchaser must provide the vendor with the purchaser's
9 sales tax permit number, the direct payment permit number or a copy
10 of the direct payment permit if the sale is made within Oklahoma.
11 In addition to furnishing the sales tax permit number to the vendor,
12 the purchaser must certify in writing to the vendor that the
13 purchaser is engaged in the business of reselling the articles
14 purchased. Failure to so certify, or to falsely certify with the
15 knowledge that the items purchased are not for resale, shall be
16 sufficient grounds upon which the Tax Commission may cause the
17 purchaser's sales tax permit to be canceled. Certification may be
18 made on the bill, invoice or sales slip retained by the vendor or by
19 furnishing a certification letter to the seller which contains the
20 following:

- 21 1. The name and address of the purchaser;
- 22 2. The sales tax permit number of the permit issued to the
23 purchaser;

24

1 3. A statement that the purchaser is engaged in the business of
2 reselling the articles purchased, if applicable;

3 4. A statement that the articles purchased are purchased for
4 resale, if applicable; and

5 5. The signature of the purchaser or a person authorized to
6 legally bind the purchaser.

7 H. If a sales tax permit holder purchases goods, wares and
8 merchandise from a vendor on a regular basis, then the permit holder
9 may furnish the certification letter described in subsection G of
10 this section to the vendor and the vendor may subsequently make
11 sales of tangible personal property to the permit holder without
12 requiring a certification letter or certification statement for each
13 subsequent sale. The permit holder must notify the seller of all
14 purchases which are not for resale and remit the applicable amount
15 of tax thereon. If the permit holder fails to notify the vendor of
16 purchases not intended for resale, then sufficient grounds shall
17 exist for the Tax Commission to cancel the sales tax permit of the
18 permit holder who so failed to notify the vendor.

19 I. In lieu of filing reports as required in subsection A of
20 this section, tax remitters or taxpayers who agree to participate in
21 the Tax Commission's electronic funds transfer and electronic data
22 interchange programs may file according to the following schedule:

23 1. For sales from the first day through the fifteenth day of
24 each month, the tax shall be due and payable on the twentieth day of

1 such month and remitted to the Tax Commission by electronic funds
2 transfer. A taxpayer will be considered to have complied with the
3 reporting requirements of this paragraph if, on or before the
4 twentieth day of such month, the taxpayer paid at least ninety
5 percent (90%) of the liability for that fifteen-day period or at
6 least fifty percent (50%) of the taxpayer's liability in the
7 immediate preceding calendar year for the same month as the month in
8 which the fifteen-day period occurs; and

9 2. For sales from the sixteenth day through the end of each
10 month, the tax shall be due and payable on the twentieth day of the
11 following month and remitted to the Tax Commission by electronic
12 funds transfer.

13 Every person required to remit the tax due pursuant to this
14 subsection shall file its monthly sales tax report in accordance
15 with the Tax Commission's electronic data interchange program on the
16 twentieth day of the month following the month the sales occurred.

17 Taxes not paid on or before the due dates specified in this
18 subsection shall be delinquent from such dates.

19 SECTION 10. AMENDATORY Section 3, Chapter 17, 2nd
20 Extraordinary Session, O.S.L. 2018 (68 O.S. Supp. 2018, Section
21 1392), is amended to read as follows:

22 Section 1392. A. Subject to the provisions of subsections C
23 and D of this section, on or before July 1, 2018, and on or before
24 June 1 of each calendar year thereafter, beginning June 1, 2019, a

1 ~~remote seller,~~ a marketplace facilitator or a referrer that had
2 aggregate sales of tangible personal property within this state or
3 delivered to locations within this state subject to tax under
4 Section 1354 or 1402 of ~~Title 68 of the Oklahoma Statutes~~ this title
5 worth at least Ten Thousand Dollars (\$10,000.00) during the
6 ~~immediately~~ preceding twelve-calendar-month period shall file an
7 election with the Tax Commission to collect and remit the tax
8 imposed under Section 1354 or 1402 of ~~Title 68 of the Oklahoma~~
9 ~~Statutes~~ this title or to comply with the notice and reporting
10 requirements. The election shall be made on a form and in a manner
11 prescribed by the Commission and, except as provided in subsection E
12 of this section, shall apply to the next succeeding fiscal year.

13 B. A ~~remote seller,~~ a marketplace facilitator or a referrer
14 that makes an election under subsection A of this section to collect
15 and remit the tax imposed under Section 1354 or 1402 of ~~Title 68 of~~
16 ~~the Oklahoma Statutes~~ this title shall obtain a permit under Section
17 1364 or 1407 of ~~Title 68 of the Oklahoma Statutes~~ this title.

18 C. The requirement by a marketplace facilitator to make an
19 election under subsection A of this section shall only apply to ~~the~~
20 ~~following:~~

21 1. ~~Sales~~ sales through the marketplace facilitator's forum made
22 by or on behalf of a marketplace seller ~~that does not maintain a~~
23 ~~place of business in this state;~~ and

24

1 ~~2. Sales~~ sales made by a marketplace facilitator on its own
2 behalf ~~if the marketplace facilitator does not maintain a place of~~
3 ~~business in this state.~~

4 D. The requirement by a referrer to make an election under
5 subsection A of this section shall ~~only~~ apply to sales:

6 1. Directly resulting from a referral of a purchaser to a
7 marketplace seller ~~that does not maintain a place of business in~~
8 ~~this state;~~

9 2. Directly resulting from a referral of a purchaser to a
10 remote seller; and

11 3. ~~Of~~ Sales of the referrer's own products ~~if the referrer does~~
12 ~~not maintain a place of business in this state.~~

13 A referrer may make an election under subsection A of this section
14 for the sales described in paragraphs 1 and 2 of this subsection
15 that is different from the election made for the sales described in
16 paragraph 3 of this subsection.

17 E. An election made on or before July 1, 2018, shall be in
18 effect for the 2018-2019 fiscal year. A ~~remote seller, a~~
19 marketplace facilitator or a referrer may change an election to
20 comply with the notice and reporting requirements to an election to
21 collect and remit the tax imposed under Section 1354 or 1402 of
22 ~~Title 68 of the Oklahoma Statutes~~ this title at any time during a
23 fiscal year by filing a new election with the Commission and
24 obtaining a permit under Section 1364 or 1407 of ~~Title 68 of the~~

1 ~~Oklahoma Statutes~~ this title. The new election shall be effective
2 thirty (30) days after the filing and shall be effective for the
3 balance of the fiscal year in which the new election was filed and
4 for the next succeeding fiscal year.

5 F. A ~~remote seller,~~ a marketplace facilitator or a referrer who
6 does not submit an election under subsection A of this section or a
7 new election under subsection E of this section shall be deemed to
8 have elected to comply with the notice and reporting requirements.

9 G. 1. A remote seller that had aggregate sales of tangible
10 personal property within this state or delivered to locations within
11 this state subject to tax under Section 1354 or 1402 of this title
12 worth at least One Hundred Thousand Dollars (\$100,000.00) during the
13 preceding or current calendar year shall collect and remit the tax
14 imposed under Section 1354 or 1402 of this title. The duty to
15 collect and remit tax shall apply to the first calendar month
16 succeeding the month when the threshold provided in this paragraph
17 is met.

18 2. Sales in this state by a remote seller made through a
19 marketplace forum or a referrer's platform where the tax is
20 collected and remitted by the marketplace facilitator or referrer
21 shall not be included in determining whether the remote seller has
22 met the threshold amount provided in this subsection.

23 H. In addition to records that may be required to be maintained
24 under other applicable provisions of ~~Title 68 of the Oklahoma~~

1 ~~Statutes~~ this title by a remote seller, a marketplace facilitator or
2 a referrer, a remote seller, a marketplace facilitator or a referrer
3 subject to this act shall also be subject to Section 1365 of ~~Title~~
4 ~~68 of the Oklahoma Statutes~~ this title relating to the keeping of
5 records and Section 248 of ~~Title 68 of the Oklahoma Statutes~~ this
6 title relating to the examination of records by the Commission and
7 agents and employees of the Commission.

8 SECTION 11. AMENDATORY Section 4, Chapter 17, 2nd
9 Extraordinary Session, O.S.L. 2018 (68 O.S. Supp. 2018, Section
10 1393), is amended to read as follows:

11 Section 1393. A. A ~~remote seller,~~ a marketplace facilitator or
12 a referrer required to make an election under subsection A of
13 Section ~~3~~ 1392 of this ~~act~~ title that does not elect to collect and
14 remit the tax imposed by Section 1354 or 1402 of ~~Title 68 of the~~
15 ~~Oklahoma Statutes~~ this title shall comply with the applicable notice
16 requirements of this section.

17 B. A ~~remote seller or~~ marketplace facilitator subject to the
18 requirements of this section shall:

19 1. Post a conspicuous notice on its forum that informs
20 purchasers intending to purchase tangible personal property for
21 delivery to a location within this state that includes all of the
22 following:

23
24

1 a. sales or use tax may be due in connection with the
2 purchase and delivery of the tangible personal
3 property,

4 b. the state requires the purchaser to file a return if
5 use tax is due in connection with the purchase and
6 delivery, and

7 c. the notice is required by this section; and

8 2. Provide a written notice to each purchaser at the time of
9 each sale that includes all of the following:

10 a. a statement that sales or use tax is not being
11 collected in connection with the purchase,

12 b. a statement that the purchaser may be required to
13 remit use tax directly to the Tax Commission, and

14 c. instructions for obtaining additional information from
15 the Commission regarding whether and how to remit use
16 tax to the Commission.

17 C. The notice required by paragraph 2 of subsection B of this
18 section must be prominently displayed on all invoices and order
19 forms and on each sales receipt or similar document, whether in
20 paper or electronic form, provided to the purchaser. No statement
21 that sales or use tax is not imposed on a transaction may be made by
22 a ~~remote seller or~~ marketplace facilitator unless the transaction is
23 exempt from sales and use tax pursuant to ~~Title 68 of the Oklahoma~~
24 ~~Statutes~~ this title or other applicable state law.

1 D. A referrer subject to the requirements of this section shall
2 post a conspicuous notice on its platform that informs purchasers
3 intending to purchase tangible personal property for delivery to a
4 location within this state that includes all of the following:

5 1. Sales or use tax may be due in connection with the purchase
6 and delivery;

7 2. The person to which the purchaser is being referred may or
8 may not collect and remit sales or use tax to the Commission in
9 connection with the transaction;

10 3. The state requires the purchaser to file a return if use tax
11 is due in connection with the purchase and delivery and not
12 collected by the person;

13 4. The notice is required by this section;

14 5. Instructions for obtaining additional information from the
15 Commission regarding whether and how to remit use tax to the
16 Commission; and

17 6. If the person to whom the purchaser is being referred does
18 not collect sales or use tax on a subsequent purchase by the
19 purchaser, the person may be required to provide information to the
20 purchaser and the Commission about the purchaser's potential use tax
21 liability.

22 E. The notice required under subsection D of this section must
23 be prominently displayed and may include pop-up boxes or
24

1 notification by other means that appears when the referrer transfers
2 a purchaser to another person to complete the sale.

3 SECTION 12. AMENDATORY Section 5, Chapter 17, 2nd
4 Extraordinary Session, O.S.L. 2018 (68 O.S. Supp. 2018, Section
5 1394), is amended to read as follows:

6 Section 1394. A. A ~~remote seller or~~ marketplace facilitator
7 required to make an election under subsection A of Section ~~3~~ 1392 of
8 this ~~act~~ title that does not elect to collect and remit the tax
9 imposed by Section 1354 or 1402 of ~~Title 68 of the Oklahoma Statutes~~
10 this title shall, no later than January 31 of each year, provide a
11 written report to each purchaser required to receive the notice
12 under paragraph 2 of subsection B of Section ~~4~~ 1393 of this ~~act~~
13 title during the immediately preceding calendar year that includes
14 all of the following:

15 1. A statement that the ~~remote seller or~~ marketplace
16 facilitator did not collect sales or use tax in connection with the
17 purchaser's transactions with the ~~remote seller or~~ marketplace
18 facilitator and that the purchaser may be required to remit use tax
19 to the Tax Commission;

20 2. A list, by date, indicating the type and purchase price of
21 each product purchased or leased by the purchaser from the ~~remote~~
22 ~~seller or~~ marketplace facilitator and delivered to a location within
23 this state;

24

1 3. Instructions for obtaining additional information from the
2 Commission regarding whether and how to remit use tax to the
3 Commission;

4 4. A statement that the ~~remote seller or~~ marketplace
5 facilitator is required to submit a report to the Commission under
6 Section ~~6~~ 1395 of this ~~act~~ title that includes the name of the
7 purchaser and the aggregate dollar amount of the purchaser's
8 purchases from the ~~remote seller or~~ marketplace facilitator; and

9 5. Such additional information as the Commission may reasonably
10 require.

11 B. The Commission shall prescribe the form of the report
12 required under subsection A of this section and shall make the form
13 available on its publicly accessible Internet website.

14 C. The report required under subsection A of this section shall
15 be mailed by first-class mail in an envelope prominently marked with
16 words indicating that important tax information is enclosed to the
17 purchaser's billing addresses, if known, or, if unknown, to the
18 purchaser's shipping address. If the purchaser's billing and
19 shipping addresses are unknown, the report shall be sent
20 electronically to the purchaser's last-known email address with a
21 subject heading indicating that important tax information is being
22 provided.

23 D. A referrer required to make an election under subsection A
24 of Section ~~3~~ 1392 of this ~~act~~ title that does not elect to collect

1 and remit the tax imposed by Section 1354 or 1402 of ~~Title 68 of the~~
2 ~~Oklahoma Statutes~~ this title shall, no later than January 31 of each
3 year, provide a written notice to each remote seller to whom the
4 referrer transferred a potential purchaser located in this state
5 during the immediately preceding calendar year that includes all of
6 the following:

7 1. A statement that a sales or use tax may be imposed by the
8 state on the transaction;

9 2. A statement that the remote seller may be required to ~~make~~
10 ~~the election required by subsection A of Section 3 of this act~~
11 collect the tax as required under subsection G of Section 1392 of
12 this title; and

13 3. Instructions for obtaining additional information regarding
14 sales and use tax from the Commission.

15 SECTION 13. AMENDATORY Section 6, Chapter 17, 2nd
16 Extraordinary Session, O.S.L. 2018 (68 O.S. Supp. 2018, Section
17 1395), is amended to read as follows:

18 Section 1395. A. A ~~remote seller or~~ marketplace facilitator
19 required to make an election under subsection A of Section ~~3~~ 1392 of
20 ~~this act~~ this title that does not elect to collect and remit the tax
21 imposed by Section 1354 or 1402 of ~~Title 68 of the Oklahoma Statutes~~
22 this title shall, no later than January 31 of each year, submit a
23 report to the Tax Commission. The report shall include, with
24 respect to each purchaser required to receive the notice under

1 paragraph 2 of subsection B of Section 4 1393 of this ~~act~~ title
2 during the immediately preceding calendar year, the following:

3 1. The purchaser's name;

4 2. The purchaser's billing address and, if different, the
5 purchaser's last-known mailing address;

6 3. The address within this state to which products were
7 delivered to the purchaser;

8 4. The aggregate dollar amount of the purchaser's purchases
9 from the ~~remote seller or~~ marketplace facilitator; and

10 5. The name and address of the ~~remote seller,~~ marketplace
11 facilitator or marketplace seller that made the sales to the
12 purchaser.

13 B. A referrer required to make an election under subsection A
14 of Section 3 1392 of this ~~act~~ title that does not elect to collect
15 and remit the tax imposed by Section 1354 or 1402 of ~~Title 68 of the~~
16 ~~Oklahoma Statutes~~ this title shall, no later than January 31 of each
17 year, submit a report to the Commission. The report shall include a
18 list of persons who received the notice required under subsection D
19 of Section 5 1394 of this ~~act~~ title.

20 C. The Commission shall prescribe the forms of the reports
21 required under this section and shall make them available on its
22 publicly accessible Internet website. The reports shall be
23 submitted electronically in such manner as the Commission shall
24 require.

1 D. A report required under this section shall be submitted by
2 an officer of the ~~remote seller,~~ the marketplace facilitator or the
3 referrer and shall include a statement, made under penalty of
4 perjury, by the officer that the ~~remote seller,~~ the marketplace
5 facilitator or the referrer made reasonable efforts to comply with
6 the notice and reporting requirements of this act.

7 SECTION 14. AMENDATORY Section 7, Chapter 17, 2nd
8 Extraordinary Session, O.S.L. 2018 (68 O.S. Supp. 2018, Section
9 1396), is amended to read as follows:

10 Section 1396. A. The Commission shall assess a penalty in the
11 amount of Twenty Thousand Dollars (\$20,000.00) or twenty percent
12 (20%) of total sales in Oklahoma during the previous twelve (12)
13 months, whichever is less, against a ~~remote seller,~~ a marketplace
14 facilitator or a referrer that makes an election under subsection A
15 of Section ~~3~~ 1392 of this ~~act~~ title to comply with the notice and
16 reporting requirements, or is deemed to have made such election
17 under subsection F of Section ~~3~~ 1392 of this ~~act~~ title, and fails to
18 comply with the requirements under Section ~~5~~ 1394 or ~~6~~ 1395 of this
19 ~~act~~ title. The penalty shall be assessed separately for each
20 violation but may only be assessed once in a calendar year.

21 B. A ~~remote seller,~~ a marketplace facilitator or a referrer
22 that makes an election under subsection A of Section ~~3~~ 1392 of this
23 ~~act~~ title to collect and remit the tax imposed under Section 1354 or
24 1402 of ~~Title 68 of the Oklahoma Statutes~~ this title shall be

1 subject to all of the provisions of ~~Title 68 of the Oklahoma~~
2 ~~Statutes~~ this title with respect to the collection and remittance of
3 such tax and shall be subject to all of the penalties and interest
4 levied under ~~Title 68 of the Oklahoma Statutes~~ this title for
5 failing to comply with the provisions of this act except as provided
6 in this section.

7 C. For a period of five (5) years after the effective date of
8 this section, the Tax Commission may abate or reduce any penalty or
9 interest imposed under subsection B of this section due to hardship
10 or for good cause shown.

11 D. A marketplace facilitator or a referrer is relieved of
12 liability under subsection B of this section if the marketplace
13 facilitator or the referrer can show to the satisfaction of the
14 Commission that the failure to collect the correct amount of tax was
15 due to incorrect information given to the marketplace facilitator or
16 the referrer by a marketplace seller or remote seller.

17 E. A class action may not be brought against a marketplace
18 facilitator or a referrer on behalf of purchasers arising from or in
19 any way related to an overpayment of sales or use tax collected by
20 the marketplace facilitator or the referrer, regardless of whether
21 such action is characterized as a tax refund claim. Nothing in this
22 subsection shall affect a purchaser's right to seek a refund from
23 the Commission under other provisions of ~~Title 68 of the Oklahoma~~
24 ~~Statutes~~ this title.

1 SECTION 15. AMENDATORY 68 O.S. 2011, Section 4307, as
2 amended by Section 5, Chapter 3, O.S.L. 2014 (68 O.S. Supp. 2018,
3 Section 4307), is amended to read as follows:

4 Section 4307. Notwithstanding any other provision of this act,
5 total payments resulting from the provisions of the Oklahoma Quality
6 Events Incentive Act to all host communities shall not exceed:

7 1. Two Million Dollars (\$2,000,000.00) for the fiscal year
8 ending June 30, 2013;

9 2. Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
10 for the fiscal year ending June 30, 2014; and

11 3. Three Million Dollars (\$3,000,000.00) for each of the fiscal
12 years ending June 30, 2015, through June 30, ~~2018~~ 2021.

13 SECTION 16. REPEALER 47 O.S. 2011, Section 1105.4, is
14 hereby repealed.

15 SECTION 17. This act shall become effective July 1, 2019.

16 SECTION 18. It being immediately necessary for the preservation
17 of the public peace, health or safety, an emergency is hereby
18 declared to exist, by reason whereof this act shall take effect and
19 be in full force from and after its passage and approval.

20

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