

STATE OF OKLAHOMA

1st Extraordinary Session of the 56th Legislature (2017)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 1099

By: Wallace and Casey of the
House

and

David and Fields of the
Senate

COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; stating purpose; imposing additional tax levy upon cigarettes; specifying amount of additional levy; providing for apportionment of revenues; exempting levy from inclusion in determination of certain amounts; requiring certain collections and administration of levy; prohibiting sale of cigarette excise tax stamps to wholesalers in excess of certain amount; providing exception; creating the State Health Care Enhancement Fund; exempting fund from fiscal year limitations; identifying funding source; authorizing appropriations from fund for certain purpose; providing for codification; and providing for noncodification.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 302-7 of Title 68, unless there is created a duplication in numbering, reads as follows:

1 A. For the purpose of providing revenue for the support of the
2 functions of state government, in addition to the tax levied in
3 Sections 302, 302-1, 302-2, 302-3, 302-4 and 302-5 of Title 68 of
4 the Oklahoma Statutes, there is hereby levied upon the sale, use,
5 gift, possession or consumption of cigarettes, as defined in
6 Sections 301 through 325 of Title 68 of the Oklahoma Statutes,
7 within this state, a tax at the rate of seventy-five (75) mills per
8 cigarette.

9 B. 1. Except as provided in paragraph 2 of this subsection,
10 the revenue resulting from the additional tax levied in subsection A
11 of this section shall be apportioned as provided in paragraph 3 of
12 this subsection.

13 2. The net amount of any revenue resulting from a payment in
14 lieu of excise taxes on cigarettes levied by this section, which net
15 amount shall be calculated after deductions for rebates owed
16 pursuant to a compact with a federally recognized Indian tribe or
17 nation, shall be apportioned as provided in paragraph 3 of this
18 subsection.

19 3. a. Prior to July 1, 2018, the resulting revenues as
20 described by paragraphs 1 and 2 of this subsection
21 shall be apportioned by the Oklahoma Tax Commission
22 and transmitted to the State Treasurer who shall
23 deposit such revenue in the General Revenue Fund.
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1 b. Beginning July 1, 2018, the resulting revenues as
2 described by paragraphs 1 and 2 of this subsection
3 shall be apportioned by the Oklahoma Tax Commission
4 and transmitted to the State Treasurer, who shall
5 deposit such revenue to the credit of the State Health
6 Care Enhancement Fund, created in Section 3 of this
7 act.

8 C. No part of the revenues resulting from the additional taxes
9 levied in this section shall be used in determining the amount of
10 cigarette tax collections to be paid into:

11 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund
12 pursuant to the provisions of Sections 57.31 through 57.43 of Title
13 62 of the Oklahoma Statutes;

14 2. The State of Oklahoma Institutional Building Bonds of 1965
15 Sinking Fund pursuant to the provisions of Sections 57.61 through
16 57.73 of Title 62 of the Oklahoma Statutes;

17 3. The State of Oklahoma Institutional Building Bonds of 1965
18 Sinking Fund Series C and Series D pursuant to the provisions of
19 Sections 57.81 through 57.112 of Title 62 of the Oklahoma Statutes;

20 4. The State of Oklahoma Building Bonds of 1968 Sinking Fund
21 pursuant to the provisions of Sections 57.121 through 57.193 of
22 Title 62 of the Oklahoma Statutes; or
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1 5. The Oklahoma Building Bonds of 1992 Sinking Fund pursuant to
2 the provisions of Sections 57.300 through 57.313 of Title 62 of the
3 Oklahoma Statutes.

4 D. The cigarette taxes levied in this section shall be
5 collected and administered as provided by law for other cigarette
6 taxes now levied, collected and administered pursuant to the
7 provisions of Sections 301 through 325 of Title 68 of the Oklahoma
8 Statutes.

9 SECTION 2. NEW LAW A new section of law not to be
10 codified in the Oklahoma Statutes reads as follows:

11 The Oklahoma Tax Commission shall not sell cigarette excise tax
12 stamps to any wholesaler in excess of the amount of the monthly
13 average amount of such excise tax stamps sold to such wholesaler
14 during the preceding calendar year prior to the effective date of
15 Sections 1 and 2 of this act. Provided, the wholesaler may purchase
16 in excess of the monthly average purchased during the preceding
17 calendar year upon documentation, to the Tax Commission's
18 satisfaction, of probable sales greater than the wholesaler's sales
19 in the preceding calendar year.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 302-7h of Title 68, unless there
22 is created a duplication in numbering, reads as follows:

23 There is hereby created in the State Treasury a fund to be
24 designated the "State Health Care Enhancement Fund". The fund shall

1 be a continuing fund, not subject to fiscal year limitations, and
2 shall consist of monies received pursuant to Section 1 of this act
3 and any monies designated to the fund by law. All monies accruing
4 to the credit of the fund shall be appropriated at the discretion of
5 the Legislature for the purpose of enhancing the health of
6 Oklahomans.

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