

FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2641

			Of the printed Bill
Page	<u>8</u>	Section	<u>1</u>
		Lines	<u>4 1/2</u>
			Of the Engrossed Bill

By inserting new sections 2, 3, 4, and 5 to read as follows:

[INSERT ATTACHED]

and by renumbering the subsequent section.

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Steve Kouplen

Adopted: _____

Reading Clerk

1 "SECTION 2. AMENDATORY 68 O.S. 2011, Section 1357, as
2 last amended by Section 18, Chapter 54, O.S.L. 2015 (68 O.S. Supp.
3 2017, Section 1357), is amended to read as follows:

4 Section 1357. Exemptions - General.

5 There are hereby specifically exempted from the tax levied by
6 the Oklahoma Sales Tax Code:

7 1. Transportation of school pupils to and from elementary
8 schools or high schools in motor or other vehicles;

9 2. Transportation of persons where the fare of each person does
10 not exceed One Dollar (\$1.00), or local transportation of persons
11 within the corporate limits of a municipality except by taxicabs;

12 3. Sales for resale to persons engaged in the business of
13 reselling the articles purchased, whether within or without the
14 state, provided that such sales to residents of this state are made
15 to persons to whom sales tax permits have been issued as provided in
16 the Oklahoma Sales Tax Code. This exemption shall not apply to the
17 sales of articles made to persons holding permits when such persons
18 purchase items for their use and which they are not regularly
19 engaged in the business of reselling; neither shall this exemption
20 apply to sales of tangible personal property to peddlers, solicitors
21 and other salespersons who do not have an established place of
22 business and a sales tax permit. The exemption provided by this
23 paragraph shall apply to sales of motor fuel or diesel fuel to a
24 Group Five vendor, but the use of such motor fuel or diesel fuel by

1 the Group Five vendor shall not be exempt from the tax levied by the
2 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel
3 is exempt from sales tax when the motor fuel is for shipment outside
4 this state and consumed by a common carrier by rail in the conduct
5 of its business. The sales tax shall apply to the purchase of motor
6 fuel or diesel fuel in Oklahoma by a common carrier by rail when
7 such motor fuel is purchased for fueling, within this state, of any
8 locomotive or other motorized flanged wheel equipment;

9 4. Sales of advertising space in newspapers and periodicals;

10 5. Sales of programs relating to sporting and entertainment
11 events, and sales of advertising on billboards (including signage,
12 posters, panels, marquees, or on other similar surfaces, whether
13 indoors or outdoors) or in programs relating to sporting and
14 entertainment events, and sales of any advertising, to be displayed
15 at or in connection with a sporting event, via the Internet,
16 electronic display devices, or through public address or broadcast
17 systems. The exemption authorized by this paragraph shall be
18 effective for all sales made on or after January 1, 2001;

19 6. Sales of any advertising, other than the advertising
20 described by paragraph 5 of this section, via the Internet,
21 electronic display devices, or through the electronic media,
22 including radio, public address or broadcast systems, television
23 (whether through closed circuit broadcasting systems or otherwise),
24

1 and cable and satellite television, and the servicing of any
2 advertising devices;

3 7. Eggs, feed, supplies, machinery and equipment purchased by
4 persons regularly engaged in the business of raising worms, fish,
5 any insect or any other form of terrestrial or aquatic animal life
6 and used for the purpose of raising same for marketing. This
7 exemption shall only be granted and extended to the purchaser when
8 the items are to be used and in fact are used in the raising of
9 animal life as set out above. Each purchaser shall certify, in
10 writing, on the invoice or sales ticket retained by the vendor that
11 the purchaser is regularly engaged in the business of raising such
12 animal life and that the items purchased will be used only in such
13 business. The vendor shall certify to the Oklahoma Tax Commission
14 that the price of the items has been reduced to grant the full
15 benefit of the exemption. Violation hereof by the purchaser or
16 vendor shall be a misdemeanor;

17 8. Sale of natural or artificial gas and electricity, and
18 associated delivery or transmission services, when sold exclusively
19 for residential use. Provided, this exemption shall not apply to
20 any sales tax levied by a city or town, or a county, or any other
21 jurisdiction in this state;

22 9. In addition to the exemptions authorized by Section 1357.6
23 of this title, sales of drugs sold pursuant to a prescription
24 written for the treatment of human beings by a person licensed to

1 prescribe the drugs, and sales of insulin and medical oxygen.

2 Provided, this exemption shall not apply to over-the-counter drugs;

3 10. Transfers of title or possession of empty, partially
4 filled, or filled returnable oil and chemical drums to any person
5 who is not regularly engaged in the business of selling, reselling
6 or otherwise transferring empty, partially filled, or filled
7 returnable oil drums;

8 11. Sales of one-way utensils, paper napkins, paper cups,
9 disposable hot containers and other one-way carry out materials to a
10 vendor of meals or beverages;

11 12. Sales of food or food products for home consumption which
12 are purchased in whole or in part with coupons issued pursuant to
13 the federal food stamp program as authorized by Sections 2011
14 through 2029 of Title 7 of the United States Code, as to that
15 portion purchased with such coupons. The exemption provided for
16 such sales shall be inapplicable to such sales upon the effective
17 date of any federal law that removes the requirement of the
18 exemption as a condition for participation by the state in the
19 federal food stamp program;

20 13. Sales of food or food products, or any equipment or
21 supplies used in the preparation of the food or food products to or
22 by an organization which:

- 23 a. is exempt from taxation pursuant to the provisions of
24 Section 501(c)(3) of the Internal Revenue Code, 26

1 U.S.C., Section 501(c)(3), and which provides and
2 delivers prepared meals for home consumption to
3 elderly or homebound persons as part of a program
4 commonly known as "Meals on Wheels" or "Mobile Meals",
5 or

6 b. is exempt from taxation pursuant to the provisions of
7 Section 501(c)(3) of the Internal Revenue Code, 26
8 U.S.C., Section 501(c)(3), and which receives federal
9 funding pursuant to the Older Americans Act of 1965,
10 as amended, for the purpose of providing nutrition
11 programs for the care and benefit of elderly persons;

12 14. a. Sales of tangible personal property or services to or
13 by organizations which are exempt from taxation
14 pursuant to the provisions of Section 501(c)(3) of the
15 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
16 and:

17 (1) are primarily involved in the collection and
18 distribution of food and other household products
19 to other organizations that facilitate the
20 distribution of such products to the needy and
21 such distributee organizations are exempt from
22 taxation pursuant to the provisions of Section
23 501(c)(3) of the Internal Revenue Code, 26
24 U.S.C., Section 501(c)(3), or

1 (2) facilitate the distribution of such products to
2 the needy.

3 b. Sales made in the course of business for profit or
4 savings, competing with other persons engaged in the
5 same or similar business shall not be exempt under
6 this paragraph;

7 15. Sales of tangible personal property or services to
8 children's homes which are located on church-owned property and are
9 operated by organizations exempt from taxation pursuant to the
10 provisions of the Internal Revenue Code, 26 U.S.C., Section
11 501(c) (3);

12 16. Sales of computers, data processing equipment, related
13 peripherals and telephone, telegraph or telecommunications service
14 and equipment for use in a qualified aircraft maintenance or
15 manufacturing facility. For purposes of this paragraph, "qualified
16 aircraft maintenance or manufacturing facility" means a new or
17 expanding facility primarily engaged in aircraft repair, building or
18 rebuilding whether or not on a factory basis, whose total cost of
19 construction exceeds the sum of Five Million Dollars (\$5,000,000.00)
20 and which employs at least two hundred fifty (250) new full-time-
21 equivalent employees, as certified by the Oklahoma Employment
22 Security Commission, upon completion of the facility. In order to
23 qualify for the exemption provided for by this paragraph, the cost
24 of the items purchased by the qualified aircraft maintenance or

1 manufacturing facility shall equal or exceed the sum of Two Million
2 Dollars (\$2,000,000.00);

3 17. Sales of tangible personal property consumed or
4 incorporated in the construction or expansion of a qualified
5 aircraft maintenance or manufacturing facility as defined in
6 paragraph 16 of this section. For purposes of this paragraph, sales
7 made to a contractor or subcontractor that has previously entered
8 into a contractual relationship with a qualified aircraft
9 maintenance or manufacturing facility for construction or expansion
10 of such a facility shall be considered sales made to a qualified
11 aircraft maintenance or manufacturing facility;

12 18. Sales of the following telecommunications services:

13 a. Interstate and International "800 service". "800
14 service" means a "telecommunications service" that
15 allows a caller to dial a toll-free number without
16 incurring a charge for the call. The service is
17 typically marketed under the name "800", "855", "866",
18 "877", and "888" toll-free calling, and any subsequent
19 numbers designated by the Federal Communications
20 Commission, or

21 b. Interstate and International "900 service". "900
22 service" means an inbound toll "telecommunications
23 service" purchased by a subscriber that allows the
24 subscriber's customers to call in to the subscriber's

1 prerecorded announcement or live service. "900
2 service" does not include the charge for: collection
3 services provided by the seller of the
4 "telecommunications services" to the subscriber, or
5 service or product sold by the subscriber to the
6 subscriber's customer. The service is typically
7 marketed under the name "900" service, and any
8 subsequent numbers designated by the Federal
9 Communications Commission,

10 c. Interstate and International "private communications
11 service". "Private communications service" means a
12 "telecommunications service" that entitles the
13 customer to exclusive or priority use of a
14 communications channel or group of channels between or
15 among termination points, regardless of the manner in
16 which such channel or channels are connected, and
17 includes switching capacity, extension lines,
18 stations, and any other associated services that are
19 provided in connection with the use of such channel or
20 channels,

21 d. "Value-added nonvoice data service". "Value-added
22 nonvoice data service" means a service that otherwise
23 meets the definition of "telecommunications services"
24 in which computer processing applications are used to

1 act on the form, content, code, or protocol of the
2 information or data primarily for a purpose other than
3 transmission, conveyance or routing,

4 e. Interstate and International telecommunications
5 service which is:

6 (1) rendered by a company for private use within its
7 organization, or

8 (2) used, allocated, or distributed by a company to
9 its affiliated group,

10 f. Regulatory assessments and charges, including charges
11 to fund the Oklahoma Universal Service Fund, the
12 Oklahoma Lifeline Fund and the Oklahoma High Cost
13 Fund, and

14 g. Telecommunications nonrecurring charges, including but
15 not limited to the installation, connection, change or
16 initiation of telecommunications services which are
17 not associated with a retail consumer sale;

18 19. Sales of railroad track spikes manufactured and sold for
19 use in this state in the construction or repair of railroad tracks,
20 switches, sidings and turnouts;

21 20. Sales of aircraft and aircraft parts provided such sales
22 occur at a qualified aircraft maintenance facility. As used in this
23 paragraph, "qualified aircraft maintenance facility" means a
24 facility operated by an air common carrier, including one or more

1 component overhaul support buildings or structures in an area owned,
2 leased or controlled by the air common carrier, at which there were
3 employed at least two thousand (2,000) full-time-equivalent
4 employees in the preceding year as certified by the Oklahoma
5 Employment Security Commission and which is primarily related to the
6 fabrication, repair, alteration, modification, refurbishing,
7 maintenance, building or rebuilding of commercial aircraft or
8 aircraft parts used in air common carriage. For purposes of this
9 paragraph, "air common carrier" shall also include members of an
10 affiliated group as defined by Section 1504 of the Internal Revenue
11 Code, 26 U.S.C., Section 1504. Beginning July 1, 2012, sales of
12 machinery, tools, supplies, equipment and related tangible personal
13 property and services used or consumed in the repair, remodeling or
14 maintenance of aircraft, aircraft engines, or aircraft component
15 parts which occur at a qualified aircraft maintenance facility;

16 21. Sales of machinery and equipment purchased and used by
17 persons and establishments primarily engaged in computer services
18 and data processing:

- 19 a. as defined under Industrial Group Numbers 7372 and
20 7373 of the Standard Industrial Classification (SIC)
21 Manual, latest version, which derive at least fifty
22 percent (50%) of their annual gross revenues from the
23 sale of a product or service to an out-of-state buyer
24 or consumer, and

1 b. as defined under Industrial Group Number 7374 of the
2 SIC Manual, latest version, which derive at least
3 eighty percent (80%) of their annual gross revenues
4 from the sale of a product or service to an out-of-
5 state buyer or consumer.

6 Eligibility for the exemption set out in this paragraph shall be
7 established, subject to review by the Tax Commission, by annually
8 filing an affidavit with the Tax Commission stating that the
9 facility so qualifies and such information as required by the Tax
10 Commission. For purposes of determining whether annual gross
11 revenues are derived from sales to out-of-state buyers or consumers,
12 all sales to the federal government shall be considered to be to an
13 out-of-state buyer or consumer;

14 22. Sales of prosthetic devices to an individual for use by
15 such individual. For purposes of this paragraph, "prosthetic
16 device" shall have the same meaning as provided in Section 1357.6 of
17 this title, but shall not include corrective eye glasses, contact
18 lenses or hearing aids;

19 23. Sales of tangible personal property or services to a motion
20 picture or television production company to be used or consumed in
21 connection with an eligible production. For purposes of this
22 paragraph, "eligible production" means a documentary, special, music
23 video, or a television commercial or television program that will
24 serve as a pilot for or be a segment of an ongoing dramatic or

1 situation comedy series filmed or taped for network or national or
2 regional syndication or a feature-length motion picture intended for
3 theatrical release or for network or national or regional
4 syndication or broadcast. The provisions of this paragraph shall
5 apply to sales occurring on or after July 1, 1996. In order to
6 qualify for the exemption, the motion picture or television
7 production company shall file any documentation and information
8 required to be submitted pursuant to rules promulgated by the Tax
9 Commission;

10 24. Sales of diesel fuel sold for consumption by commercial
11 vessels, barges and other commercial watercraft;

12 25. Sales of tangible personal property or services to tax-
13 exempt independent nonprofit biomedical research foundations that
14 provide educational programs for Oklahoma science students and
15 teachers and to tax-exempt independent nonprofit community blood
16 banks headquartered in this state;

17 26. Effective May 6, 1992, sales of wireless telecommunications
18 equipment to a vendor who subsequently transfers the equipment at no
19 charge or for a discounted charge to a consumer as part of a
20 promotional package or as an inducement to commence or continue a
21 contract for wireless telecommunications services;

22 27. Effective January 1, 1991, leases of rail transportation
23 cars to haul coal to coal-fired plants located in this state which
24 generate electric power;

1 28. Beginning July 1, 2005, sales of aircraft engine repairs,
2 modification, and replacement parts, sales of aircraft frame repairs
3 and modification, aircraft interior modification, and paint, and
4 sales of services employed in the repair, modification and
5 replacement of parts of aircraft engines, aircraft frame and
6 interior repair and modification, and paint;

7 29. Sales of materials and supplies to the owner or operator of
8 a ship, motor vessel or barge that is used in interstate or
9 international commerce if the materials and supplies:

10 a. are loaded on the ship, motor vessel or barge and used
11 in the maintenance and operation of the ship, motor
12 vessel or barge, or

13 b. enter into and become component parts of the ship,
14 motor vessel or barge;

15 30. Sales of tangible personal property made at estate sales at
16 which such property is offered for sale on the premises of the
17 former residence of the decedent by a person who is not required to
18 be licensed pursuant to the Transient Merchant Licensing Act, or who
19 is not otherwise required to obtain a sales tax permit for the sale
20 of such property pursuant to the provisions of Section 1364 of this
21 title; provided:

22 a. such sale or event may not be held for a period
23 exceeding three (3) consecutive days,
24

1 b. the sale must be conducted within six (6) months of
2 the date of death of the decedent, and

3 c. the exemption allowed by this paragraph shall not be
4 allowed for property that was not part of the
5 decedent's estate;

6 31. Beginning January 1, 2004, sales of electricity and
7 associated delivery and transmission services, when sold exclusively
8 for use by an oil and gas operator for reservoir dewatering projects
9 and associated operations commencing on or after July 1, 2003, in
10 which the initial water-to-oil ratio is greater than or equal to
11 five-to-one water-to-oil, and such oil and gas development projects
12 have been classified by the Corporation Commission as a reservoir
13 dewatering unit;

14 32. Sales of prewritten computer software that is delivered
15 electronically. For purposes of this paragraph, "delivered
16 electronically" means delivered to the purchaser by means other than
17 tangible storage media;

18 33. Sales of modular dwelling units when built at a production
19 facility and moved in whole or in parts, to be assembled on-site,
20 and permanently affixed to the real property and used for
21 residential or commercial purposes. The exemption provided by this
22 paragraph shall equal forty-five percent (45%) of the total sales
23 price of the modular dwelling unit. For purposes of this paragraph,
24 "modular dwelling unit" means a structure that is not subject to the

1 motor vehicle excise tax imposed pursuant to Section 2103 of this
2 title;

3 34. a. Sales of tangible personal property or services to:

4 (1) persons who are residents of Oklahoma and have
5 been honorably discharged from active service in
6 any branch of the Armed Forces of the United
7 States or Oklahoma National Guard and who have
8 been certified by the United States Department of
9 Veterans Affairs or its successor to be in
10 receipt of disability compensation at the one-
11 hundred-percent rate and the disability shall be
12 permanent and have been sustained through
13 military action or accident or resulting from
14 disease contracted while in such active service
15 and who, after November 1, 2020, registered with
16 the veterans registry created by the Oklahoma
17 Department of Veterans Affairs; provided, that if
18 the person has received the sales tax exemption
19 pursuant to this paragraph prior to November 1,
20 2020, no registration with the veterans registry
21 shall be required, or

22 (2) the surviving spouse of ~~such~~ a person eligible
23 under the provisions of division (1) of this
24 subparagraph if the person is deceased and the

1 spouse has not remarried; provided, sales for the
2 benefit of ~~the~~ an eligible person to a spouse of
3 the eligible person or to a member of the
4 household in which the eligible person resides
5 and who is authorized to make purchases on the
6 person's behalf, when such eligible person is not
7 present at the sale, shall also be exempt for
8 purposes of this paragraph. The Oklahoma Tax
9 Commission shall issue a separate exemption card
10 to a spouse of an eligible person or to a member
11 of the household in which the eligible person
12 resides who is authorized to make purchases on
13 the person's behalf, if requested by the eligible
14 person.

15 b. Sales qualifying for the exemption authorized by this
16 paragraph shall not exceed Twenty-five Thousand
17 Dollars (\$25,000.00) per year per individual while the
18 disabled veteran is living. Sales qualifying for the
19 exemption authorized by this paragraph shall not
20 exceed One Thousand Dollars (\$1,000.00) per year for
21 an unremarried surviving spouse. Upon request of the
22 Tax Commission, a person asserting or claiming the
23 exemption authorized by this paragraph shall provide a
24 statement, executed under oath, that the total sales

1 amounts for which the exemption is applicable have not
2 exceeded Twenty-five Thousand Dollars (\$25,000.00) per
3 year per living disabled veteran or One Thousand
4 Dollars (\$1,000.00) per year for an unremarried
5 surviving spouse. If the amount of such exempt sales
6 exceeds such amount, the sales tax in excess of the
7 authorized amount shall be treated as a direct sales
8 tax liability and may be recovered by the Tax
9 Commission in the same manner provided by law for
10 other taxes, including penalty and interest;

11 35. Sales of electricity to the operator, specifically
12 designated by the Corporation Commission, of a spacing unit or lease
13 from which oil is produced or attempted to be produced using
14 enhanced recovery methods, including, but not limited to, increased
15 pressure in a producing formation through the use of water or
16 saltwater if the electrical usage is associated with and necessary
17 for the operation of equipment required to inject or circulate
18 fluids in a producing formation for the purpose of forcing oil or
19 petroleum into a wellbore for eventual recovery and production from
20 the wellhead. In order to be eligible for the sales tax exemption
21 authorized by this paragraph, the total content of oil recovered
22 after the use of enhanced recovery methods shall not exceed one
23 percent (1%) by volume. The exemption authorized by this paragraph
24

1 shall be applicable only to the state sales tax rate and shall not
2 be applicable to any county or municipal sales tax rate;

3 36. Sales of intrastate charter and tour bus transportation.

4 As used in this paragraph, "intrastate charter and tour bus
5 transportation" means the transportation of persons from one
6 location in this state to another location in this state in a motor
7 vehicle which has been constructed in such a manner that it may
8 lawfully carry more than eighteen persons, and which is ordinarily
9 used or rented to carry persons for compensation. Provided, this
10 exemption shall not apply to regularly scheduled bus transportation
11 for the general public;

12 37. Sales of vitamins, minerals and dietary supplements by a
13 licensed chiropractor to a person who is the patient of such
14 chiropractor at the physical location where the chiropractor
15 provides chiropractic care or services to such patient. The
16 provisions of this paragraph shall not be applicable to any drug,
17 medicine or substance for which a prescription by a licensed
18 physician is required;

19 38. Sales of goods, wares, merchandise, tangible personal
20 property, machinery and equipment to a web search portal located in
21 this state which derives at least eighty percent (80%) of its annual
22 gross revenue from the sale of a product or service to an out-of-
23 state buyer or consumer. For purposes of this paragraph, "web
24 search portal" means an establishment classified under NAICS code

1 519130 which operates websites that use a search engine to generate
2 and maintain extensive databases of Internet addresses and content
3 in an easily searchable format;

4 39. Sales of tangible personal property consumed or
5 incorporated in the construction or expansion of a facility for a
6 corporation organized under Section 437 et seq. of Title 18 of the
7 Oklahoma Statutes as a rural electric cooperative. For purposes of
8 this paragraph, sales made to a contractor or subcontractor that has
9 previously entered into a contractual relationship with a rural
10 electric cooperative for construction or expansion of a facility
11 shall be considered sales made to a rural electric cooperative;

12 40. Sales of tangible personal property or services to a
13 business primarily engaged in the repair of consumer electronic
14 goods, including, but not limited to, cell phones, compact disc
15 players, personal computers, MP3 players, digital devices for the
16 storage and retrieval of information through hard-wired or wireless
17 computer or Internet connections, if the devices are sold to the
18 business by the original manufacturer of such devices and the
19 devices are repaired, refitted or refurbished for sale by the entity
20 qualifying for the exemption authorized by this paragraph directly
21 to retail consumers or if the devices are sold to another business
22 entity for sale to retail consumers;

23 41. Before July 1, 2019, sales of rolling stock when sold or
24 leased by the manufacturer, regardless of whether the purchaser is a

1 public services corporation engaged in business as a common carrier
2 of property or passengers by railway, for use or consumption by a
3 common carrier directly in the rendition of public service. For
4 purposes of this paragraph, "rolling stock" means locomotives,
5 autocars and railroad cars; ~~and~~

6 42. Sales of gold, silver, platinum, palladium or other bullion
7 items such as coins and bars and legal tender of any nation, which
8 legal tender is sold according to its value as precious metal or as
9 an investment. As used in the paragraph, "bullion" means any
10 precious metal, including, but not limited to, gold, silver,
11 platinum and palladium, that is in such a state or condition that
12 its value depends upon its precious metal content and not its form.
13 The exemption authorized by this paragraph shall not apply to
14 fabricated metals that have been processed or manufactured for
15 artistic use or as jewelry; and

16 43. Sales of pickups, trucks, and truck-tractors initially
17 registered by the purchaser under the provisions of subsection A of
18 Section 1134 of Title 47 of the Oklahoma Statutes.

19 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2103, as
20 amended by Section 4, Chapter 316, O.S.L. 2012 (68 O.S. Supp. 2017,
21 Section 2103), is amended to read as follows:

22 Section 2103. A. 1. Except as otherwise provided in Sections
23 2101 through 2108 of this title, there shall be levied an excise tax
24 upon the transfer of legal ownership of any vehicle registered in

1 this state and upon the use of any vehicle registered in this state
2 and upon the use of any vehicle registered for the first time in
3 this state. Except for persons that possess an agricultural
4 exemption pursuant to Section 1358.1 of this title, the excise tax
5 shall be levied upon transfers of legal ownership of all-terrain
6 vehicles and motorcycles used exclusively off roads and highways
7 which occur on or after July 1, 2005, and upon transfers of legal
8 ownership of utility vehicles used exclusively off roads and
9 highways which occur on or after July 1, 2008. The excise tax for
10 new and used all-terrain vehicles, utility vehicles and motorcycles
11 used exclusively off roads and highways shall be levied at four and
12 one-half percent (4 1/2%) of the actual sales price of each new and
13 used all-terrain vehicle and motorcycle used exclusively off roads
14 and highways before any discounts or credits are given for a trade-
15 in. Provided, the minimum excise tax assessment for such all-
16 terrain vehicles, utility vehicles and motorcycles used exclusively
17 off roads and highways shall be Five Dollars (\$5.00). The excise
18 tax for new vehicles shall be levied at three and one-fourth percent
19 (3 1/4%) of the value of each new vehicle. The excise tax for used
20 vehicles shall be as follows:

- 21 a. from October 1, 2000, until June 30, 2001, Twenty
22 Dollars (\$20.00) on the first One Thousand Dollars
23 (\$1,000.00) or less of value of such vehicle, and
24

1 three and one-fourth percent (3 1/4%) of the remaining
2 value of such vehicle,

3 b. for the year beginning July 1, 2001, and ending June
4 30, 2002, Twenty Dollars (\$20.00) on the first One
5 Thousand Two Hundred Fifty Dollars (\$1,250.00) or less
6 of value of such vehicle, and three and one-fourth
7 percent (3 1/4%) of the remaining value of such
8 vehicle, and

9 c. for the year beginning July 1, 2002, and all
10 subsequent years, Twenty Dollars (\$20.00) on the first
11 One Thousand Five Hundred Dollars (\$1,500.00) or less
12 of value of such vehicle, and three and one-fourth
13 percent (3 1/4%) of the remaining value of such
14 vehicle.

15 2. There shall be levied an excise tax of ~~Ten Dollars (\$10.00)~~
16 Eleven Dollars (\$11.00) for any:

17 a. truck or truck-tractor registered under the provisions
18 of subsection A of Section 1133 of Title 47 of the
19 Oklahoma Statutes, for a laden weight or combined
20 laden weight of fifty-five thousand (55,000) pounds or
21 more,

22 b. trailer or semitrailer registered under subsection C
23 of Section 1133 of Title 47 of the Oklahoma Statutes,
24 which is primarily designed to transport cargo over

1 the highways of this state and generally recognized as
2 such, and

3 c. frac tank, as defined by Section 54 of Title 17 of the
4 Oklahoma Statutes, and registered under subsection C
5 of Section 1133 of Title 47 of the Oklahoma Statutes.

6 Except for frac tanks, the excise tax levied pursuant to this
7 paragraph shall not apply to special mobilized machinery, trailers,
8 or semitrailers manufactured, modified or remanufactured for the
9 purpose of providing services other than transporting cargo over the
10 highways of this state. The excise tax levied pursuant to this
11 paragraph shall also not apply to pickup trucks, vans, or sport
12 utility vehicles.

13 3. The tax levied pursuant to this section shall be due at the
14 time of the transfer of legal ownership or first registration in
15 this state of such vehicle; provided, the tax shall not be due at
16 the time of the issuance of a certificate of title for an all-
17 terrain vehicle, utility vehicle or motorcycle used exclusively off
18 roads and highways which is not required to be registered but which
19 the owner chooses to register pursuant to the provisions of
20 subsection B of Section 1115.3 of Title 47 of the Oklahoma Statutes,
21 and shall be collected by the Oklahoma Tax Commission or Corporation
22 Commission, as applicable, or an appointed motor license agent, at
23 the time of the issuance of a certificate of title for any such
24 vehicle. In the event an excise tax is collected on the transfer of

1 legal ownership or use of the vehicle during any calendar year, then
2 an additional excise tax must be collected upon all subsequent
3 transfers of legal ownership. In computing the motor vehicle excise
4 tax, the amount collected shall be rounded to the nearest dollar.
5 The excise tax levied by this section shall be delinquent from and
6 after the thirtieth day after the legal ownership or possession of
7 any vehicle is obtained. Any person failing or refusing to pay the
8 tax as herein provided on or before date of delinquency shall pay in
9 addition to the tax a penalty of One Dollar (\$1.00) per day for each
10 day of delinquency, but such penalty shall in no event exceed the
11 amount of the tax. Of each dollar penalty collected pursuant to
12 this subsection:

- 13 a. twenty-five cents (\$0.25) shall be apportioned as
14 provided in Section 1104 of this title;
- 15 b. twenty-five cents (\$0.25) shall be retained by the
16 motor license agent; and
- 17 c. fifty cents (\$0.50) shall be deposited in the General
18 Revenue Fund for the fiscal year beginning on July 1,
19 2011, and for all subsequent fiscal years, shall be
20 deposited in the State Highway Construction and
21 Maintenance Fund.

22 B. The excise tax levied in subsection A of this section
23 assessed on all commercial vehicles registered pursuant to Section
24 1120 of Title 47 of the Oklahoma Statutes shall be in lieu of all

1 sales and use taxes levied pursuant to the Sales Tax Code or the Use
2 Tax Code. The transfer of legal ownership of any motor vehicle as
3 used in this section and the Sales Tax Code and the Use Tax Code
4 shall include the lease, lease purchase or lease finance agreement
5 involving any truck in excess of eight thousand (8,000) pounds
6 combined laden weight or any truck-tractor provided the vehicle is
7 registered in Oklahoma pursuant to Section 1120 of Title 47 of the
8 Oklahoma Statutes or any frac tank, trailer, semitrailer or open
9 commercial vehicle registered pursuant to Section 1133 of Title 47
10 of the Oklahoma Statutes. The excise tax levied pursuant to this
11 section shall not be subsequently collected at the end of the lease
12 period if the lessee acquires complete legal title of the vehicle.

13 C. The provisions of this section shall not apply to transfers
14 made without consideration between:

- 15 1. Husband and wife;
16 2. Parent and child; or
17 3. An individual and an express trust which that individual or
18 the spouse, child or parent of that individual has a right to
19 revoke.

20 D. 1. There shall be a credit allowed with respect to the
21 excise tax paid for a new vehicle which is a replacement for:

- 22 a. a new original vehicle which is stolen from the
23 purchaser/registrant within ninety (90) days of the
24 date of purchase of the original vehicle as certified

1 by a police report or other documentation as required
2 by the Tax Commission, or

3 b. a defective new original vehicle returned by the
4 purchaser/registrant to the seller within six (6)
5 months of the date of purchase of the defective new
6 original vehicle as certified by the manufacturer.

7 2. The credit allowed pursuant to paragraph 1 of this
8 subsection shall be in the amount of the excise tax which was paid
9 for the new original vehicle and shall be applied to the excise tax
10 due on the replacement vehicle. In no event shall the credit be
11 refunded.

12 E. Despite any other definitions of the terms "new vehicle" and
13 "used vehicle", to the contrary, contained in any other law, the
14 term "new vehicle" as used in this section shall also include any
15 vehicle of the latest manufactured model which is owned or acquired
16 by a licensed used motor vehicle dealer which has not previously
17 been registered in this state and upon which the motor vehicle
18 excise tax as set forth in this section has not been paid. However,
19 upon the sale or transfer by a licensed used motor vehicle dealer
20 located in this state of any such vehicle which is the latest
21 manufactured model, the vehicle shall be considered a used vehicle
22 for purposes of determining excise tax.

23 F. The provisions of this section shall not apply to state
24 government entities.

1 SECTION 4. REPEALER Section 10, Chapter 229, O.S.L. 2017
2 (68 O.S. Supp. 2017, Section 1357), is hereby repealed.

3 SECTION 5. Section 3 of this act shall become effective
4 September 1, 2018."

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6 56-1EX-50218 JM 10/26/17
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