

STATE OF OKLAHOMA

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

HOUSE BILL 1111

By: McCall

AS INTRODUCED

An Act relating to revenue and taxation; ordering a legislative referendum pursuant to the Oklahoma Constitution; 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; providing for codification; providing for noncodification; providing ballot title; and directing filing.

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

SECTION 1. Pursuant to Section 3 of Article V of the Oklahoma Constitution, there is hereby ordered the following legislative referendum which shall be filed with the Secretary of State and addressed to the Governor of the state, who shall submit the same to the people for their approval or rejection at the next General Election.

1 SECTION 2. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 302-7 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

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

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

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

22 3. The resulting revenues as described by paragraphs 1 and 2 of
23 this subsection shall be apportioned by the Oklahoma Tax Commission
24

1 and transmitted to the State Treasurer who shall deposit such
2 revenue in the General Revenue Fund.

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

6 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund
7 pursuant to the provisions of Sections 57.31 through 57.43 of Title
8 62 of the Oklahoma Statutes;

9 2. The State of Oklahoma Institutional Building Bonds of 1965
10 Sinking Fund pursuant to the provisions of Sections 57.61 through
11 57.73 of Title 62 of the Oklahoma Statutes;

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

15 4. The State of Oklahoma Building Bonds of 1968 Sinking Fund
16 pursuant to the provisions of Sections 57.121 through 57.193 of
17 Title 62 of the Oklahoma Statutes; or

18 5. The Oklahoma Building Bonds of 1992 Sinking Fund pursuant to
19 the provisions of Sections 57.300 through 57.313 of Title 62 of the
20 Oklahoma Statutes.

21 D. The cigarette taxes levied in this section shall be
22 collected and administered as provided by law for other cigarette
23 taxes now levied, collected and administered pursuant to the
24

1 provisions of Sections 301 through 325 of Title 68 of the Oklahoma
2 Statutes.

3 SECTION 3. NEW LAW A new section of law not to be
4 codified in the Oklahoma Statutes reads as follows:

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

14 SECTION 4. The Ballot Title for the proposed act shall be in
15 the following form:

16 BALLOT TITLE

17 Legislative Referendum No. _____ State Question No. _____

18 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

19 The measure levies upon the sale, use, gift, possession or
20 consumption of cigarettes, a tax of _____ mills per
21 cigarette. The measure apportions revenue from such tax to the
22 State's General Revenue Fund. The measure requires that the tax
23 shall be collected and administered in the same manner as
24 existing cigarette taxes. The measure limits the sale of

cigarette excise tax stamps to wholesalers by the Oklahoma Tax Commission.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL - YES _____

AGAINST THE PROPOSAL - NO _____

SECTION 5. The Chief Clerk of the House of Representatives, immediately after the passage of this act, shall prepare and file one copy thereof, including the Ballot Title set forth in SECTION 4 hereof, with the Secretary of State and one copy with the Attorney General.

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