

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE BILL 3593

By: McCall

AS INTRODUCED

An Act relating to revenue and taxation, amending 68 O.S. 2011, Section 1359.2, which relates to manufacturer sales tax exemption permit; eliminating requirement that proof of eligibility be furnished at time of sale; eliminating certain required action by vendor; eliminating permit acquisition requirement; eliminating process for obtaining permit; eliminating qualification for permit; eliminating permit application process; ending issuances of permits by the Tax Commission; requiring exemption be administered as a refund of taxes paid; requiring the Tax Commission to designate a certain account; requiring periodic transfers to account; requiring refunds be paid from account; limiting amount of refunds; providing calculation of interest payable; requiring filings of certain information to qualify for refund; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1359.2, is amended to read as follows:

Section 1359.2 A. In order to ~~qualify for~~ administer the exemption authorized in paragraph 1 of Section 1359 of ~~Title 68 of the Oklahoma Statutes this title, at the time of sale, the person to whom the sale is made, provided the purchaser is a resident of this~~

1 ~~state, shall be required to furnish the vendor proof of eligibility~~
2 ~~for the exemption as required by this section. All vendors shall~~
3 ~~honor the proof of eligibility for sales tax exemption as authorized~~
4 ~~under this section, and sales to a person providing such proof shall~~
5 ~~be exempt from the tax levied by Section 1350 et seq. of Title 68 of~~
6 ~~the Oklahoma Statutes.~~

7 ~~B. Each resident manufacturer wishing to claim the exemption~~
8 ~~authorized in paragraph 1 of Section 1359 of Title 68 of the~~
9 ~~Oklahoma Statutes shall be required to secure from the Oklahoma Tax~~
10 ~~Commission a manufacturer exemption permit, the size and design of~~
11 ~~which shall be prescribed by the Tax Commission. This permit shall~~
12 ~~constitute proof of eligibility for the exemption provided in~~
13 ~~paragraph 1 of Section 1359 of Title 68 of the Oklahoma Statutes.~~
14 ~~Each such manufacturer shall file with the Tax Commission an~~
15 ~~application for an exemption permit, setting forth such information~~
16 ~~as the Tax Commission may require. The application shall be signed~~
17 ~~by the owner of the business or representative of the business~~
18 ~~entity and as a natural person, and, in the case of a corporation,~~
19 ~~as a legally constituted officer thereof.~~

20 ~~C. Each manufacturer exemption permit issued shall be valid for~~
21 ~~a period of three (3) years from the date of issuance. If a~~
22 ~~manufacturer applying for a manufacturer exemption permit is already~~
23 ~~the holder of a manufacturer's sales tax permit issued under Section~~
24 ~~1364 of Title 68 of the Oklahoma Statutes at the time of initial~~

1 ~~application, the manufacturer exemption permit shall be issued with~~
2 ~~an expiration date which corresponds with the expiration date of the~~
3 ~~manufacturer's sales tax permit. Thereafter, the Tax Commission~~
4 ~~shall issue the exemption permits at the same time of issuance or~~
5 ~~renewal of the manufacturer's sales tax permit issued under Section~~
6 ~~1364 of Title 68 of the Oklahoma Statutes.~~

7 ~~D. The Tax Commission shall honor all manufacturer's limited~~
8 ~~exemption certificates issued prior to the effective date of this~~
9 ~~act. However, holders of such certificates shall apply for a~~
10 ~~manufacturer exemption permit pursuant to the provisions of this~~
11 ~~section at the same time they apply for issuance or renewal of a~~
12 ~~manufacturer's sales tax permit there shall be made a sales tax~~
13 ~~refund for state and local sales taxes paid related to purchases~~
14 ~~qualifying under the provisions of paragraph 1 of Section 1359 of~~
15 ~~this title.~~

16 B. The Oklahoma Tax Commission shall transfer each month from
17 sales tax collected the amount which the Commission estimates to be
18 necessary to make the sales tax refund provided by this section to
19 an account designated as the Commission determines.

20 C. Any refund shall be paid from the account prescribed by this
21 section at the time the claim for refund is approved by the Tax
22 Commission. The amount of the refund shall not exceed the total
23 state and local sales taxes paid together with accrued interest upon
24 such total. The amount of interest paid upon the principal amount

1 of any refund made shall be determined according to the amount
2 earned as invested by the State Treasurer's Office. The interest
3 rate shall accrue upon the amount transferred to the account.

4 D. To qualify for the refund authorized by this section, an
5 applicant shall file with the Tax Commission not more than once per
6 calendar year, the following documentation for refunds claimed:

7 1. Invoices indicating the amount of state and local sales
8 taxes paid related to purchases qualifying under the provisions of
9 Section 1358 of this title;

10 2. Affidavit of each vendor that state and local sales taxes
11 billed has not been audited, rebated or refunded, but rather the
12 sales tax charged has been collected by the vendor and remitted to
13 the Tax Commission; and

14 3. All additional documentation required to be submitted
15 pursuant to rules promulgated by the Tax Commission.

16 SECTION 2. This act shall become effective November 1, 2018.

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