

**BILL SUMMARY**  
1<sup>st</sup> Extraordinary Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1074</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Cleveland</b>
<b>Date:</b>	<b>11/9/2017</b>
<b>Impact:</b>	<b>Tax Commission:</b>
<b>Minimal Impact in FY-18 and FY-19</b>	

**Research Analysis**

HB1074, as introduced, provides that the following classifications of commercial vehicles are to be exempt from any sales tax applicable to motor vehicles:

- Trucks and truck-tractors registered for a combined laden weight of 55,000 pounds or more;
- Trailers and semitrailers registered as transport cargo vehicles; and
- Frac tanks holding materials used in or resulting from fracturing techniques in oil and gas exploration.

Prepared By: Quyen Do

**Fiscal Analysis**

From the Tax Commission:

Currently, subsection B of Section 2103 of the Oklahoma Statutes, not amended by HB 2433, specifically precludes the imposition of the 1.25 percent sales tax on trucks and truck tractors which pay the \$10 excise tax and are proportionally registered pursuant to the International Registration Plan (IRP) 47 O.S. § 1120. Trailers associated with the proportionally registered units and other commercial vehicles [trucks, truck tractors, trailers and semitrailers] registered pursuant to Section 1133 of Title 47 which also pay the \$10 excise tax are not exempted by the referenced provision and as such sales tax is due on transfers of these vehicles occurring on and after July 1, 2017. This measure would exempt these similarly situated vehicles from the levy of the 1.25% sales tax. In addition to proportionally registered trucks and truck tractors currently exempted by statute, the exemption would apply to the following vehicles which presently pay the \$10 excise tax.

1. Commercial trucks and truck-tractors registered under Section 1133(A) of Title 47 for a weight of 55,000 pounds or more,
2. Commercial trailers and semitrailers registered under Section 1133(C) of Title 47 to transport cargo over the highways of this state, and
3. Frac tanks registered under Section 1133(C) of Title 47.

The estimated impact to state sales tax collections for FY 18 and FY 19 occurring as a result of this measure is minimal.

Prepared By: Mark Tygret

**Other Considerations**

None.

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