

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL NO. 799

By: Thompson

AS INTRODUCED

An Act relating to rental fees; enacting the Heavy Equipment Rental Fee Act; authorizing imposition of recovery fee; stating amount of fee; requiring retainage of fee proceeds; providing for exemptions from imposition of fee; defining terms; providing recovery fee not subject to certain tax levies; requiring annual report to Oklahoma Tax Commission; providing for remittance of certain excess amount to the Oklahoma Tax Commission; providing for apportionment of certain amounts by the State Treasurer to the credit of the General Revenue Fund of the State Treasury; providing for codification; and providing an effective date.

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 5508 of Title 68, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Heavy Equipment Rental Fee Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5509 of Title 68, unless there is created a duplication in numbering, reads as follows:

1 A. Except as provided in subsection B of this section, a
2 company primarily in the business of renting heavy equipment
3 property located in this state may include in the rental invoice a
4 one and one-half percent (1.50%) recovery fee on the rental charge
5 from any item of heavy equipment property rental by a customer. The
6 total amount of the recovery fee shall be retained by the business
7 for the purpose of paying personal property taxes levied by all
8 taxing jurisdictions against the heavy equipment property located in
9 the state.

10 B. Notwithstanding the provisions of subsection A of this
11 section, the recovery fee provided in this section shall not apply
12 to the rental of heavy equipment property to the federal government,
13 the State of Oklahoma, any municipality or county. There shall be
14 no other exemptions from the recovery fee.

15 C. As used in this act:

16 1. "Heavy equipment property" means property owned or held by a
17 rental business classified under code 532412 or 522310 of the 2002
18 North American Industry Classification System (2012) as published by
19 the Bureau of the Census;

20 2. "Primarily in the business of renting heavy equipment
21 property" means more than fifty-one percent (51%) of the annual
22 revenue of the business is derived from the rental of personal
23 property; and
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1 3. "Rental charge" means a charge for the rental of heavy
2 equipment property and excludes any other charges including, but not
3 limited to, charges for pickup and delivery, fuel or damage waiver.

4 D. The recovery fee authorized by this section shall not be
5 subject to state or local sales or use tax.

6 E. Annually, on or before March 15, each rental business that
7 collects the equipment rental surcharge is required to submit to the
8 Oklahoma Tax Commission a consolidated report showing the total
9 personal property taxes paid in the state during the previous
10 calendar year and the total recovery fee collections. If the total
11 recovery fee collections exceed the taxes paid, the excess shall be
12 remitted to the Oklahoma Tax Commission.

13 F. All monies collected under subsection E of this section
14 shall be transmitted annually by April 15 of the following tax
15 period by the Oklahoma Tax Commission to the State Treasurer of the
16 State of Oklahoma to be placed to the credit of the General Revenue
17 Fund of the state, to be paid out only pursuant to direct
18 appropriations of the Legislature for general governmental functions
19 of the State of Oklahoma.

20 SECTION 3. This act shall become effective January 1, 2020.

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