

**Bill Summary**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 878</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>136</b>
<b>Author:</b>	<b>Sen. Leewright</b>
<b>Date:</b>	<b>01/31/2019</b>

**Bill Analysis**

SB 878 increases various fines imposed on tire purchases, to be used for the Used Tire Recycling Act.

Prepared by: Kalen Taylor

**OKLAHOMA TAX COMMISSION**

**REVENUE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** February 5, 2019

**BILL NUMBER:** SB 878 **STATUS AND DATE OF BILL:** Introduced 01/17/2019

**AUTHORS:** House n/a Senate Leewright

**TAX TYPE (S):** Used Tire Recycling Fee **SUBJECT:** Tax Rate

**PROPOSAL:** Amendatory

The measure proposes to amend Section 2-11-401.2 of Title 27A by increasing the used tire recycling fee on specific tires. See attached

**EFFECTIVE DATE:** Emergency – July 1, 2019

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 20: \$3,815,000 increase in used tire recycling fees

Feb. 5, 2019  
DATE

Rick Miller  
DIVISION DIRECTOR

msm

2-6-2019  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

2-6-19  
DATE

Jan Whit  
FOR THE COMMISSION

*\*The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

**ATTACHMENT TO REVENUE IMPACT — SB 878 — [Introduced] Prepared 2/05/2019**

The measure proposes to increase the used tire recycling fee on the following tires:

1. A tire with a rim diameter of less than or equal to nineteen and one-half (19 ½) inches that currently has a fee of Two Dollar and fifty cents (\$2.50), shall be increased to Two Dollars and ninety cents (\$2.90) per tire.
2. A tire with a rim diameter greater than 19½ inches and a tread width of twelve (12) inches or less that currently has a fee of Three Dollars and fifty cents (\$3.50), shall be increased to Six Dollars (\$6.00) per tire.
3. A tire with a rim diameter greater than 19½ inches and a tread width of greater than 12 inches that currently has a fee of Seven Dollars (\$7.00), shall be increased to Ten Dollars (\$10.00) per tire.
4. A tire with a rim diameter of less than or equal to 19½ that is a result of a first registration that currently has a fee of \$2.50, shall be increased to \$2.90 per tire.
5. A tire with a rim diameter of greater than 19½ inches and a tread width of 12 inches that is a result of a first registration that currently has a fee of \$3.00, shall be increased to \$6.00 per tire.
6. A tire from a first titled trailer or semitrailer that has a tire rim diameter of less than or equal to 19½ inches that currently has a fee of \$2.50, shall be increase to \$2.90 per tire.
7. Tires that are used on implements of husbandry and agricultural equipment with a rim diameter of less than or equal to 19½ inches and that are less than thirty (30) inches in total diameter that currently have a fee of \$2.50, shall be increased to \$2.90 per tire.
8. A tire used on implements of husbandry and agricultural equipment with a rim diameter of greater than 19½ inches and are less than 30 inches in total diameter that currently have a fee of \$3.50, shall be increased to \$6.00 per tire.

Based on reported transactions for the subject tires<sup>1</sup> in FY 18 and assuming similar transactions occur in FY 20, application of the proposed fee increases will result in additional used tire recycling fee revenues in the estimated amount of \$3,814,755.

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<sup>1</sup> Includes used tire recycling fees assessed at the time of vehicle titling and registration.