

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

HOUSE BILL 1404

By: Humphrey

AS INTRODUCED

An Act relating to revenue and taxation; stating purpose of tax levy; imposing levy of tax on extraction of certain aggregate materials; stating rate of tax levy; providing for exemptions from tax levy; prescribing procedures for remittance of tax; prescribing due dates; providing for imposition of penalty and interest; providing for apportionment of revenues; providing for apportionment to counties; providing for apportionment to municipalities; 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 2806.1 of Title 68, unless there is created a duplication in numbering, reads as follows:

The purpose of the tax levy authorized pursuant to the provisions of this act is to provide revenues to counties and municipalities to compensate those governmental jurisdictions for costs associated with damage to local roads and bridges resulting from heavy vehicles engaged in transportation of aggregate materials extracted in the area.

1       SECTION 2.       NEW LAW       A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2806.2 of Title 68, unless there  
3 is created a duplication in numbering, reads as follows:

4       A. There is hereby imposed a tax upon the severance of rock,  
5 gravel, granite, sand, limestone or any other natural materials  
6 mined for purposes of producing aggregate within the unincorporated  
7 area of a county or within the incorporated area of a municipality  
8 by any lawfully recognized for-profit business entity equal to seven  
9 percent (7%) of the gross receipts paid to the entity extracting  
10 such materials.

11       B. No severance tax shall be applicable to aggregates extracted  
12 by an individual person or persons from real property owned by such  
13 person or persons and not sold for profit.

14       C. No severance tax shall be applicable to limestone extracted  
15 for agricultural purposes.

16       SECTION 3.       NEW LAW       A new section of law to be codified  
17 in the Oklahoma Statutes as Section 2806.3 of Title 68, unless there  
18 is created a duplication in numbering, reads as follows:

19       The tax imposed pursuant to Section 2 of this act shall be  
20 remitted to the county treasurer of the county in which the source  
21 of the aggregate material is located if the site of extraction is  
22 located in an unincorporated area or to the municipal treasurer if  
23 the site of the extraction is located within an incorporated area.  
24 If the extraction occurs on real property located in more than one

1 county, the amount remitted to each county shall be computed by  
2 determining the acreage of the real property from which aggregates  
3 are extracted in each county and dividing that figure by the total  
4 acreage of the real property from which aggregates are extracted in  
5 all counties. The tax, penalty and interest, if applicable, shall  
6 be apportioned to each county according to the resulting percentage.

7 SECTION 4. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 2806.4 of Title 68, unless there  
9 is created a duplication in numbering, reads as follows:

10 A. The tax shall be remitted on a form to be prescribed by the  
11 Oklahoma Tax Commission for such purpose.

12 B. The tax shall be remitted not later than the fifteenth day  
13 of the month following the month during which payment is made for  
14 the aggregate materials extracted.

15 SECTION 5. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 2806.5 of Title 68, unless there  
17 is created a duplication in numbering, reads as follows:

18 A. If not remitted by the time period prescribed by Section 4  
19 of this act, there shall be imposed a penalty of ten percent (10%)  
20 of the principal amount of tax due and owing which shall be included  
21 in the amount of the tax liability owed.

22 B. If not remitted by the time period prescribed by Section 4  
23 of this act, interest shall accrue on the amount of the tax  
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1 liability due and owing at the rate of fifteen percent (15%) per  
2 annum until paid.

3 SECTION 6. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 2806.6 of Title 68, unless there  
5 is created a duplication in numbering, reads as follows:

6 All taxes, penalty and interest remitted to a county shall be  
7 apportioned by the county treasurer of the applicable county to the  
8 county general fund in which the source of the extracted aggregate  
9 material is located, and all taxes, penalty and interest remitted to  
10 a municipality shall be apportioned by the municipal treasurer to  
11 the general fund of the municipality.

12 SECTION 7. This act shall become effective November 1, 2019.

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