

1 ENGROSSED SENATE
2 BILL NO. 1486

By: Jech and David of the
Senate

3 and

4 Newton of the House

5
6 An Act relating to sales and use tax; amending 68
7 O.S. 2021, Sections 1355 and 1404, which relate to
8 exemptions on the sale of a motor vehicle; modifying
9 the basis upon which gross receipts are calculated
for the purposes of sales tax and purchase price is
calculated for the purposes of use tax; and providing
an effective date.

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

12 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1355, is
13 amended to read as follows:

14 Section 1355. There are hereby specifically exempted from the
15 tax levied pursuant to the provisions of Section 1350 et seq. of
16 this title:

17 1. Sale of gasoline, motor fuel, methanol, "M-85" which is a
18 mixture of methanol and gasoline containing at least eighty-five
19 percent (85%) methanol, compressed natural gas, liquefied natural
20 gas, or liquefied petroleum gas on which the Motor Fuel Tax,
21 Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special
22 Fuels Tax levied in Section 500.1 et seq., Section 601 et seq. or
23 Section 701 et seq. of this title has been, or will be paid;

1 2. For the sale of motor vehicles or any optional equipment or
2 accessories attached to motor vehicles on which the Oklahoma Motor
3 Vehicle Excise Tax levied in Section 2101 et seq. of this title has
4 been, or will be paid, all but a portion of the levy provided under
5 Section 1354 of this title, equal to one and twenty-five-hundredths
6 percent (1.25%) of the gross receipts of such sales. For the
7 purposes of this paragraph, if the sale of a motor vehicle includes
8 a trade-in, gross receipts shall be calculated based only on the
9 difference between the value of the trade-in vehicle and the actual
10 sales price of the vehicle being purchased. Provided, the sale of
11 motor vehicles shall not be subject to any sales and use taxes
12 levied by cities, counties or other jurisdictions of the state;

13 3. Sale of crude petroleum or natural or casinghead gas and
14 other products subject to gross production tax pursuant to the
15 provisions of Section 1001 et seq. and Section 1101 et seq. of this
16 title. This exemption shall not apply when such products are sold
17 to a consumer or user for consumption or use, except when used for
18 injection into the earth for the purpose of promoting or
19 facilitating the production of oil or gas. This paragraph shall not
20 operate to increase or repeal the gross production tax levied by the
21 laws of this state;

22 4. Sale of aircraft on which the tax levied pursuant to the
23 provisions of Sections 6001 through 6007 of this title has been, or
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1 will be paid or which are specifically exempt from such tax pursuant
2 to the provisions of Section 6003 of this title;

3 5. Sales from coin-operated devices on which the fee imposed by
4 Sections 1501 through 1512 of this title has been paid;

5 6. Leases of twelve (12) months or more of motor vehicles in
6 which the owners of the vehicles have paid the vehicle excise tax
7 levied by Section 2103 of this title;

8 7. Sales of charity game equipment on which a tax is levied
9 pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of
10 Title 3A of the Oklahoma Statutes, or which is sold to an
11 organization that is:

12 a. a veterans' organization exempt from taxation pursuant
13 to the provisions of paragraph (4), (7), (8), (10) or
14 (19) of subsection (c) of Section 501 of the United
15 States Internal Revenue Code of 1986, as amended, 26
16 U.S.C., Section 501(c) et seq.,

17 b. a group home for mentally disabled individuals exempt
18 from taxation pursuant to the provisions of paragraph
19 (3) of subsection (c) of Section 501 of the United
20 States Internal Revenue Code of 1986, as amended, 26
21 U.S.C., Section 501(c) et seq., or

22 c. a charitable health care organization which is exempt
23 from taxation pursuant to the provisions of paragraph
24 (3) of subsection (c) of Section 501 of the United

1 States Internal Revenue Code of 1986, as amended, 26
2 U.S.C., Section 501(c) et seq.;

3 8. Sales of cigarettes or tobacco products to:

4 a. a federally recognized Indian tribe or nation which
5 has entered into a compact with the State of Oklahoma
6 pursuant to the provisions of subsection C of Section
7 346 of this title or to a licensee of such a tribe or
8 nation, upon which the payment in lieu of taxes
9 required by the compact has been paid, or

10 b. a federally recognized Indian tribe or nation or to a
11 licensee of such a tribe or nation upon which the tax
12 levied pursuant to the provisions of Section 349.1 or
13 Section 426 of this title has been paid;

14 9. Leases of aircraft upon which the owners have paid the
15 aircraft excise tax levied by Section 6001 et seq. of this title or
16 which are specifically exempt from such tax pursuant to the
17 provisions of Section 6003 of this title;

18 10. The sale of low-speed or medium-speed electrical vehicles
19 on which the Oklahoma Motor Vehicle Excise Tax levied in Section
20 2101 et seq. of this title has been or will be paid;

21 11. Effective January 1, 2005, sales of cigarettes on which the
22 tax levied in Section 301 et seq. of this title or tobacco products
23 on which the tax levied in Section 401 et seq. of this title has
24 been paid; and

1 12. Sales of electricity at charging stations as defined by
2 Section 2 of this act when the electricity is sold by a charging
3 station owner or operator for purposes of charging an electric
4 vehicle as defined by Section 2 of this act and the tax imposed
5 pursuant to Section 4 of this act is collected and remitted to the
6 Oklahoma Tax Commission.

7 SECTION 2. AMENDATORY 68 O.S. 2021, Section 1404, is
8 amended to read as follows:

9 Section 1404. The provisions of Section 1401 et seq. of this
10 title shall not apply:

11 1. In respect to the use of any article of tangible personal
12 property brought into the State of Oklahoma by a nonresident
13 individual, visiting in this state, for his or her personal use or
14 enjoyment, while within the state;

15 2. In respect to the use of tangible personal property
16 purchased for resale before being used;

17 3. In respect to the use of any article of tangible personal
18 property on which a tax, equal to or in excess of that levied by
19 Section 1401 et seq. of this title, has been paid by the person
20 using such tangible personal property in this state, whether such
21 tax was levied under the laws of this state or some other state of
22 the United States. If any article of tangible personal property has
23 already been subjected to a tax, by this or any other state, in
24 respect to its sale or use, in an amount less than the tax imposed

1 by Section 1401 et seq. of this title, the provisions of Section
2 1401 et seq. of this title shall apply to it by a rate measured by
3 the difference only between the rate herein provided and the rate by
4 which the previous tax upon the sale or use was computed. Provided,
5 that no credit shall be given for taxes paid in another state, if
6 that state does not grant like credit for taxes paid in Oklahoma;

7 4. In respect to the use of tangible personal property now
8 specifically exempted from taxation under Oklahoma Sales Tax Code.
9 Provided, for the sale of motor vehicles or any optional equipment
10 or accessories attached to motor vehicles on which the Oklahoma
11 Motor Vehicle Excise Tax levied pursuant to Sections 2101 through
12 2108 of this title has been, or will be paid, the exceptions shall
13 apply to all but a portion of the levy provided under Section 1402
14 of this title, equal to one and twenty-five-hundredths percent
15 (1.25%) of the purchase price. For the purposes of this paragraph,
16 if the sale of a motor vehicle includes a trade-in, the purchase
17 price shall be calculated based only on the difference between the
18 value of the trade-in vehicle and the actual purchase price of the
19 vehicle being purchased. Provided further, the sale of motor
20 vehicles shall not be subject to any sales and use taxes levied by
21 cities, counties or other jurisdictions of the state;

22 5. In respect to the use of any article or tangible personal
23 property brought into the state by an individual with intent to
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1 become a resident of this state where such personal property is for
2 such individual's personal use or enjoyment;

3 6. In respect to the use of any article of tangible personal
4 property used or to be used by commercial airlines or railroads;

5 7. In respect to livestock purchased outside this state and
6 brought into this state for feeding or breeding purposes, and which
7 is later resold; and

8 8. Effective January 1, 1991, in respect to the use of rail
9 transportation cars to haul coal to coal-fired plants located in
10 this state which generate electric power.

11 SECTION 3. This act shall become effective November 1, 2022.

12 Passed the Senate the 21st day of March, 2022.

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Presiding Officer of the Senate

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16 Passed the House of Representatives the ____ day of _____,
17 2022.

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Presiding Officer of the House
of Representatives

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