

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 8, 2022

BILL NUMBER: SB 1485 STATUS AND DATE OF BILL: Engrossed 03/07/2022

AUTHORS: House Osburn Senate Paxton

TAX TYPE (S): Motor Vehicle SUBJECT: Other

PROPOSAL: Amendatory

The measure proposes amendment to 47 O.S. § 1105 by exempting an establishment engaged in vehicle rentals as defined or classified in the NAICS Manual under Industry No. 532111,¹ from the inspection² required in subsection L of Section 1105. It provides that the establishment shall be required to submit payment of any fees required in the referenced subsection when the title is issued.

EFFECTIVE DATE: November 1, 2022

REVENUE IMPACT:

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

FY 23: None

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 23: \$14,425 increase in OTC administrative costs

Mar. 9, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bjs

3/9/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/9/2022
DATE

Joseph P. Goyza
FOR THE COMMISSION

The 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.

¹ NAICS Code 532111 Description-Passenger Car Rental. This U.S. industry comprises establishments primarily engaged in renting passenger cars without drivers, generally for short periods of time.

² The inspection shall include a comparison of the vehicle identification number on the vehicle with the number recorded on the ownership records and the recording of the actual odometer reading on the vehicle.

ATTACHMENT TO REVENUE IMPACT–SB 1485- [Engrossed] Prepared 03/08/2022

The measure proposes amendment to 47 O.S. § 1105 by exempting an establishment engaged in vehicle rentals as defined or classified in the NAICS Manual under Industry No. 532111,³ from the inspection⁴ required in subsection L of Section 1105. It provides that the establishment shall be required to submit payment of any fees required in the referenced subsection when the title is issued.

There is no estimated revenue impact associated with this measure.

ADMINISTRATIVE COSTS AND CONCERNS

OTC administrative costs related to the necessary programming to modify motor vehicle registration system will require an additional two weeks in development time at an estimated amount of \$14,425. Waiving the vehicle inspection for the subject vehicles reduces the checks and balances on the titling process, could result in the branding of titles and potentially makes the Oklahoma titling process more subject to fraud.

³ NAICS Code 532111 Description-Passenger Car Rental. This U. S. industry comprises establishments primarily engaged in renting passenger cars without drivers, generally for short periods of time.

⁴ The inspection shall include a comparison of the vehicle identification number on the vehicle with the number recorded on the ownership records and the recording of the actual odometer reading on the vehicle.