

**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,<sup>1</sup> from the inspection<sup>2</sup> 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. Boyza  
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.***

<sup>1</sup> 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.

<sup>2</sup> 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,<sup>3</sup> from the inspection<sup>4</sup> 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.

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