

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1075

By: Thompson and Hall of the  
Senate

6 and

7 Wallace and Martinez of the  
8 House

9  
10 COMMITTEE SUBSTITUTE

11 An Act relating to sales and use tax; amending 68  
12 O.S. 2021, Sections 1355 and 1404, which relate to  
13 exemptions; modifying exemption for purchase of motor  
14 vehicle; providing an effective date; and declaring  
15 an emergency.

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

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

19 Section 1355. There are hereby specifically exempted from the  
20 tax levied pursuant to the provisions of Section 1350 et seq. of  
21 this title:

22 1. Sale of gasoline, motor fuel, methanol, "M-85" which is a  
23 mixture of methanol and gasoline containing at least eighty-five  
24 percent (85%) methanol, compressed natural gas, liquefied natural

1 gas, or liquefied petroleum gas on which the Motor Fuel Tax,  
2 Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special  
3 Fuels Tax levied in Section 500.1 et seq., Section 601 et seq. or  
4 Section 701 et seq. of this title has been, or will be paid;

5 2. For the sale of motor vehicles or any optional equipment or  
6 accessories attached to motor vehicles on which the Oklahoma Motor  
7 Vehicle Excise Tax levied in Section 2101 et seq. of this title has  
8 been, or will be paid, ~~all but a portion of the levy provided under~~  
9 ~~Section 1354 of this title, equal to one and twenty-five hundredths~~  
10 ~~percent (1.25%) of the gross receipts of such sales. Provided, the~~  
11 ~~sale of motor vehicles shall not be subject to any sales and use~~  
12 ~~taxes levied by cities, counties or other jurisdictions of the~~  
13 ~~state;~~

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

23 4. Sale of aircraft on which the tax levied pursuant to the  
24 provisions of Sections 6001 through 6007 of this title has been, or

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~~ 6502 of this title when the electricity is  
3 sold by a charging station owner or operator for purposes of  
4 charging an electric vehicle as defined by Section ~~2 of this act~~  
5 6502 of this title and the tax imposed pursuant to Section ~~4 of this~~  
6 ~~act~~ 6504 of this title is collected and remitted to the Oklahoma Tax  
7 Commission.

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

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

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

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

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

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

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

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

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

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

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

7       SECTION 3. This act shall become effective July 1, 2022.

8       SECTION 4. It being immediately necessary for the preservation  
9 of the public peace, health or safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

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