

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SENATE BILL 1851

By: David

AS INTRODUCED

An Act relating to sales and use tax; amending 68 O.S. 2021, Sections 1355 and 1404, which relate to exemptions; increasing exemption for purchase of motor vehicle; and providing an effective date.

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

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

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

1. Sale of gasoline, motor fuel, methanol, "M-85" which is a mixture of methanol and gasoline containing at least eighty-five percent (85%) methanol, compressed natural gas, liquefied natural gas, or liquefied petroleum gas on which the Motor Fuel Tax, Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special Fuels Tax levied in Section 500.1 et seq., Section 601 et seq. or 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. Provided, the~~
7 ~~sale of motor vehicles shall not be subject to any sales and use~~
8 ~~taxes levied by cities, counties or other jurisdictions of the~~
9 ~~state;~~

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

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

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

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

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

- 8 a. a veterans' organization exempt from taxation pursuant
9 to the provisions of paragraph (4), (7), (8), (10) or
10 (19) of subsection (c) of Section 501 of the United
11 States Internal Revenue Code of 1986, as amended, 26
12 U.S.C., Section 501(c) et seq.,
- 13 b. a group home for mentally disabled individuals exempt
14 from taxation pursuant to the provisions of paragraph
15 (3) of subsection (c) of Section 501 of the United
16 States Internal Revenue Code of 1986, as amended, 26
17 U.S.C., Section 501(c) et seq., or
- 18 c. a charitable health care organization which is exempt
19 from taxation pursuant to the provisions of paragraph
20 (3) of subsection (c) of Section 501 of the United
21 States Internal Revenue Code of 1986, as amended, 26
22 U.S.C., Section 501(c) et seq.;

23 8. Sales of cigarettes or tobacco products to:
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1 a. a federally recognized Indian tribe or nation which
2 has entered into a compact with the State of Oklahoma
3 pursuant to the provisions of subsection C of Section
4 346 of this title or to a licensee of such a tribe or
5 nation, upon which the payment in lieu of taxes
6 required by the compact has been paid, or

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

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

15 10. The sale of low-speed or medium-speed electrical vehicles
16 on which the Oklahoma Motor Vehicle Excise Tax levied in Section
17 2101 et seq. of this title has been or will be paid;

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

22 12. Sales of electricity at charging stations as defined by
23 Section ~~2 of this act~~ 6502 of this title when the electricity is
24 sold by a charging station owner or operator for purposes of

1 charging an electric vehicle as defined by Section ~~2 of this act~~
2 6502 of this title and the tax imposed pursuant to Section ~~4 of this~~
3 ~~act~~ 6504 of this title is collected and remitted to the Oklahoma Tax
4 Commission.

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

7 Section 1404. The provisions of Section 1401 et seq. of this
8 title shall not apply:

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

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

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

1 the difference only between the rate herein provided and the rate by
2 which the previous tax upon the sale or use was computed. Provided,
3 that no credit shall be given for taxes paid in another state, if
4 that state does not grant like credit for taxes paid in Oklahoma;

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

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

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

22 7. In respect to livestock purchased outside this state and
23 brought into this state for feeding or breeding purposes, and which
24 is later resold; and
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1 8. Effective January 1, 1991, in respect to the use of rail
2 transportation cars to haul coal to coal-fired plants located in
3 this state which generate electric power.

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

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