

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 1289

By: Garvin

COMMITTEE SUBSTITUTE

An Act relating to uniform tax procedure; amending 63 O.S. 2021, Section 426, as last amended by Section 1, Chapter 34, 1st Extraordinary Session, O.S.L. 2023 (63 O.S. Supp. 2023, Section 426), which relates to medical marijuana taxation; authorizing the Oklahoma Tax Commission to retain certain amount of tax collection; amending 68 O.S. 2021, Section 255.2, as amended by Section 6, Chapter 113, O.S.L. 2023 (68 O.S. Supp. 2023, Section 255.2), which relates to enforcement of tax on medical marijuana; requiring assessment, collection, and enforcement of certain tax; authorizing the Oklahoma Tax Commission to retain certain amount of tax collection; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, as last amended by Section 1, Chapter 34, 1st Extraordinary Session, O.S.L. 2023 (63 O.S. Supp. 2023, Section 426), is amended to read as follows:

Section 426. A. The tax on retail medical marijuana sales shall be established at seven percent (7%) of the gross amount received by the seller.

1 B. This tax shall be collected at the point of sale. Except as
2 provided for in ~~subsection D~~ subsections C and D of this section,
3 tax proceeds shall be deposited into the Medical Marijuana Tax Fund
4 created in ~~Section 3 of this act~~ Section 427.5a of this title.

5 C. Pursuant to Section 255.2 of Title 68 of the Oklahoma
6 Statutes, the Oklahoma Tax Commission shall have authority to
7 assess, collect and enforce the tax specified in subsection A of
8 this section including any interest and penalty thereon. For fiscal
9 year 2025 and subsequent fiscal years, the Commission shall retain
10 one and five-tenths percent (1.5%) of gross collection proceeds of
11 the tax specified in subsection A of this section.

12 D. For fiscal year 2022, proceeds from the levy authorized by
13 subsection A of this section shall be apportioned as follows:

14 1. The first Sixty-five Million Dollars (\$65,000,000.00) shall
15 be apportioned as follows:

- 16 a. fifty-nine and twenty-three hundredths percent
17 (59.23%) to the State Public Common School Building
18 Equalization Fund,
19 b. thirty-four and sixty-two hundredths percent (34.62%)
20 to the Oklahoma Medical Marijuana Authority, ~~a~~
21 ~~division within the State Department of Health,~~ and
22 c. six and fifteen hundredths percent (6.15%) to the
23 State Department of Health and earmarked for drug and
24 alcohol rehabilitation; and

1 2. Any surplus collections shall be apportioned to the General
2 Revenue Fund of the State Treasury.

3 E. If any medical marijuana business licensee intentionally
4 does not remit the taxes as required by the provisions of this
5 section or the provisions of Section 1354 of Title 68 of the
6 Oklahoma Statutes, the Authority shall permanently revoke the
7 medical marijuana business license of the business licensee and the
8 business licensee shall be permanently ineligible to receive any
9 other type of medical marijuana business license issued by the
10 Authority, including licenses for a dispensary, commercial grower
11 operation, processing facility, transporter, research, education
12 facility, and waste disposal facility.

13 SECTION 2. AMENDATORY 68 O.S. 2021, Section 255.2, as
14 amended by Section 6, Chapter 113, O.S.L. 2023 (68 O.S. Supp. 2023,
15 Section 255.2), is amended to read as follows:

16 Section 255.2. As provided in Section 426 of Title 63 of the
17 Oklahoma Statutes, the Oklahoma Medical Marijuana Authority and the
18 Oklahoma Tax Commission shall enter into a contract whereby the Tax
19 Commission shall ~~have authority to~~ assess, collect, and enforce the
20 seven percent (7%) tax on retail medical marijuana sales and any
21 penalties and interest thereon. Such assessment, collection, and
22 enforcement ~~authority~~ shall apply to any tax and any penalty or
23 interest liability on retail medical marijuana sales existing at the
24 time of contracting. The contract shall provide for the assessment,

1 collection, and enforcement of the tax on retail medical marijuana
2 sales in the same manner as the administration, collection, and
3 enforcement of any tax payable by any taxpayer subject to taxation
4 under any state tax law. For providing ~~such~~ collection assistance,
5 the Tax Commission shall ~~charge the Oklahoma Medical Marijuana~~
6 ~~Authority a fee of~~ retain one and five-tenths percent (1.5%) of the
7 gross collection proceeds. All funds retained by the Tax Commission
8 for the collection services shall be deposited in the Tax Commission
9 Reimbursement Fund in the State Treasury.

10 SECTION 3. This act shall become effective July 1, 2024.

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

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