SENATE FLOOR VERSION
April 10, 2023
AS AMENDED

ENGROSSED HOUSE
BILL NO. 1348 By: Fetgatter of the House

and

Rader of the Senate

[heavy equipment rentals - recovery fee - report to Oklahoma Tax Commission - General Revenue Fund - sales tax on recovery fee amounts – codification]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2807.10 of Title 68, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Heavy equipment property" includes all rental property owned or held by a rental business classified under Industry Code No. "532412" or "532310" of the 2017 North American Industry Classification System as published by the United States Bureau of the Census;

2. "Primarily" means more than fifty-one percent (51%) of the annual revenue of the business is derived from the rental of personal property; and

3. "Rental charge" is defined as the charge of the rental and does not include any other costs such as pickup and delivery, fuel, or damage waiver.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2807.11 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection B of this section, a company primarily in the business of renting heavy equipment property located in this state may include as a separate line item on the rental invoice a recovery fee of one and one-quarter percent (1.25%) on the rental charge from any item of heavy equipment property rental by a customer. The total amount of the recovery fee shall be retained by the business for the purposes of paying personal property taxes levied by all taxing jurisdictions against the heavy equipment property located in the state.

B. Notwithstanding the provisions of subsection A of this section, the recovery fee provided in this section shall not apply to the rental of heavy equipment property to the federal government, any federally recognized Indian tribe, the State of Oklahoma, any municipality or any county of this state. There shall not be any other exemptions from the recovery fee.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2807.12 of Title 68, unless there is created a duplication in numbering, reads as follows:

The recovery fee shall not be subject to state or local sales tax.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2807.13 of Title 68, unless there is created a duplication in numbering, reads as follows:

Annually, on or before February 15, each rental business that collects the equipment rental recovery fee shall be required to submit to the Tax Commission a consolidated report showing the aggregated personal property taxes paid in the state during the previous calendar year and the aggregated recovery collections in the state. If the aggregated recovery collections in the state exceed the aggregated taxes paid in the state, the excess shall be paid to the General Revenue Fund.

COMMITTEE REPORT BY: COMMITTEE ON FINANCE
April 10, 2023 - DO PASS AS AMENDED