

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 562

By: Howard

AS INTRODUCED

An Act relating to documentary tax stamp; amending 68 O.S. 2021, Section 3202, which relates to exemptions; requiring submission of certain documents as required by the county clerk; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 3202, is amended to read as follows:

Section 3202. A. The tax imposed by Section 3201 of this title shall not apply to:

1. Deeds recorded prior to the effective date of Sections 3201 through 3206 of this title;

2. Deeds which secure a debt or other obligation;

3. Deeds which, without additional consideration, confirm, correct, modify or supplement a deed previously recorded;

4. Deeds between husband and wife, or parent and child, or any persons related within the second degree of consanguinity, without actual consideration therefor, deeds between any person and an express revocable trust created by such person or such person's

1 spouse or deeds pursuant to which property is transferred from a
2 person to a partnership, limited liability company or corporation of
3 which the transferor or the transferor's spouse, parent, child, or
4 other person related within the second degree of consanguinity to
5 the transferor, or trust for primary benefit of such persons, are
6 the only owners of the partnership, limited liability company or
7 corporation. However, if any interest in the partnership, limited
8 liability company or corporation is transferred within one (1) year
9 to any person other than the transferor or the transferor's spouse,
10 parent, child, or other person related within the second degree of
11 consanguinity to the transferor, the seller shall immediately pay
12 the amount of tax which would have been due had this exemption not
13 been granted;

14 5. Tax deeds;

15 6. Deeds of release of property which is security for a debt or
16 other obligation;

17 7. Deeds executed by Indians in approval proceedings of the
18 district courts or by the Secretary of the Interior;

19 8. Deeds of partition, unless, for consideration, some of the
20 parties take shares greater in value than their undivided interests,
21 in which event a tax attaches to each deed conveying such greater
22 share computed upon the consideration for the excess;

23 9. Deeds made pursuant to mergers of partnerships, limited
24 liability companies or corporations;

1 10. Deeds made by a subsidiary corporation to its parent
2 corporation for no consideration other than the cancellation or
3 surrender of the subsidiary's stock;

4 11. Deeds or instruments to which the State of Oklahoma or any
5 of its instrumentalities, agencies or subdivisions is a party,
6 whether as grantee or as grantor or in any other capacity;

7 12. Deeds or instruments to which the United States or any of
8 its agencies or departments is a party, whether as grantor or as
9 grantee or in any other capacity, provided that this shall not
10 exempt transfers to or from national banks or federal savings and
11 loan associations;

12 13. Any deed executed pursuant to a foreclosure proceeding in
13 which the grantee is the holder of a mortgage on the property being
14 foreclosed, or any deed executed pursuant to a power of sale in
15 which the grantee is the party exercising such power of sale or any
16 deed executed in favor of the holder of a mortgage on the property
17 in consideration for the release of the borrower from liability on
18 the indebtedness secured by such mortgage except as to cash
19 consideration paid; provided, however, the tax shall apply to deeds
20 in other foreclosure actions, unless otherwise hereinabove exempted,
21 and shall be paid by the purchaser in such foreclosure actions; or

22 14. Deeds and other instruments to which the Oklahoma Space
23 Industry Development Authority or a spaceport user, as defined in
24 the Oklahoma Space Industry Development Act, is a party.

1 B. An individual or entity claiming an exemption pursuant to
2 this section shall provide to the county clerk documentation as may
3 be required by the county clerk to verify eligibility for the
4 exemption. Documentation may include but not be limited to entity
5 minutes and ownership ledgers, tax returns or depreciation schedules
6 related to the property conveyed in the deed, mortgages or notes
7 issued with lands, tenements, or other realty being provided as
8 collateral for which the exemption is claimed, and on a form
9 prescribed by the Oklahoma Tax Commission. Affidavits claiming
10 exemptions shall be signed under penalty of perjury.

11 SECTION 2. This act shall become effective November 1, 2023.

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