

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3237

By: Rosecrants

6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2021, Section 2105, as amended by Section 1,  
9 Chapter 71, O.S.L. 2023 (68 O.S. Supp. 2025, Section  
10 2105), which relates to exemptions from motor vehicle  
excise tax; creating an exemption for surviving  
spouses of veterans who have obtained Gold Star  
status; and providing an effective date.

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

14 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2105, as  
15 amended by Section 1, Chapter 71, O.S.L. 2023 (68 O.S. Supp. 2025,  
16 Section 2105), is amended to read as follows:

17 Section 2105. An original or a transfer certificate of title  
18 shall be issued without the payment of the excise tax levied by  
19 Section 2101 et seq. of this title for:

20 1. Any vehicle owned by a nonresident person who operates  
21 principally in some other state but who is in Oklahoma only  
22 occasionally;

23 2. Any vehicle brought into this state by a person formerly  
24 living in another state, who has owned and registered the vehicle in

1 such other state of residence at least sixty (60) days prior to the  
2 time it is required to be registered in this state; provided,  
3 however, this paragraph shall not apply to businesses engaged in  
4 renting cars without a driver;

5       3. Any vehicle registered by this state, by any of the  
6 political subdivisions thereof, or by a fire department organized  
7 pursuant to Section 592 of Title 18 of the Oklahoma Statutes to be  
8 used for the purposes of the fire department, or a vehicle which is  
9 the subject of a lease or lease-purchase agreement executed between  
10 the person seeking an original or transfer certificate of title for  
11 the vehicle and a municipality, county, school district, or fire  
12 protection district. The person seeking an original or transfer  
13 certificate of title shall provide adequate proof that the vehicle  
14 is subject to a lease or lease-purchase agreement with a  
15 municipality, county, school district, or fire protection district  
16 at the time the excise tax levied would otherwise be payable.

17 Service Oklahoma shall have the authority to determine what  
18 constitutes adequate proof as required by this section;

19       4. Any vehicle, the legal ownership of which is obtained by the  
20 applicant for a certificate of title by inheritance. For the  
21 purposes of this section, "inheritance" means any transfer from a  
22 deceased individual to the direct successor in interest of the  
23 decedent without consideration, whether through probate,

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1 administration, inter vivos trust, transfer-on-death designation, or  
2 joint ownership;

3 5. Any used motor vehicle, travel trailer, or commercial  
4 trailer which is owned and being offered for sale by a person  
5 licensed as a dealer to sell the same, under the provisions of the  
6 Oklahoma Vehicle License and Registration Act:

- 7 a. if such vehicle, travel trailer, or commercial trailer  
8 has been registered in Oklahoma and the excise tax  
9 paid thereon, or
- 10 b. when such vehicle, travel trailer, or commercial  
11 trailer has been registered in some other state but is  
12 not the latest manufactured model.

13 Provided, the provisions of this paragraph shall not be  
14 construed as allowing an exemption to any person not licensed as a  
15 dealer of used motor vehicles, travel trailers, or commercial  
16 trailers, or as an automotive dismantler and parts recycler in this  
17 state;

18 6. Any vehicle which was purchased by a person licensed to sell  
19 new or used motor vehicles in another state if:

- 20 a. such vehicle is not purchased for operation or resale  
21 in this state, and
- 22 b. the state from which the dealer is licensed offers  
23 reciprocal privileges to a dealer licensed in this  
24 state, pursuant to a reciprocal agreement between the

1                   duly authorized agent of Service Oklahoma and the  
2                   licensing state;

3           7. Any vehicle, the ownership of which was obtained by the  
4           lienholder or mortgagee under or by foreclosure of a lien or  
5           mortgage in the manner provided by law or to the insurer under  
6           subrogated rights arising by reason of loss under an insurance  
7           contract;

8           8. Any vehicle which is taxed on an ad valorem basis;

9           9. Any vehicle or motor vehicle, the legal ownership of which  
10          is obtained by transfers:

11           a. from one corporation to another corporation pursuant  
12           to a reorganization. As used in this subparagraph,  
13           the term "reorganization" means:

14           (1) a statutory merger or consolidation, or  
15           (2) the acquisition by a corporation of substantially  
16           all of the properties of another corporation when  
17           the consideration is solely all or a part of the  
18           voting stock of the acquiring corporation, or of  
19           its parent or subsidiary corporation,

20           b. in connection with the winding up, dissolution, or  
21           liquidation of a corporation only when there is a  
22           distribution in kind to the shareholders of the  
23           property of such corporation,

- c. to a corporation where the former owners of the vehicle or motor vehicle transferred are, immediately after the transfer, in control of the corporation, and the stock or securities received by each is substantially in proportion to the interest in the vehicle or motor vehicle prior to the transfer,
- d. to a partnership if the former owners of the vehicle or motor vehicle transferred are, immediately after the transfer, members of such partnership and the interest in the partnership received by each is substantially in proportion to the interest in the vehicle or motor vehicle prior to the transfer,
- e. from a partnership to the members thereof when made in the dissolution of such partnership,
- f. to a limited liability company if the former owners of the vehicle or motor vehicle transferred are, immediately after the transfer, members of the limited liability company and the interest in the limited liability company received by each is substantially in proportion to the interest in the vehicle or motor vehicle prior to the transfer, or
- g. from a limited liability company to the members thereof when made in the dissolution of such partnership;

1       10. Any vehicle which is purchased by a person to be used by a  
2 business engaged in renting motor vehicles without a driver,  
3 provided:

- 4       a. the vehicle shall not be rented to the same person for  
5            a period exceeding ninety (90) days,
- 6       b. any such vehicle exempted from the excise tax by these  
7            provisions shall not be placed under any type of lease  
8            agreement,
- 9       c. on any such vehicle exempted from the excise tax by  
10            this paragraph that is reregistered in this state,  
11            without a prior sale or transfer to the persons  
12            specified in divisions (1) and (2) of this  
13            subparagraph, at any time prior to the expiration of  
14            twelve (12) months from the date of issuance of the  
15            original title, the seller shall pay immediately the  
16            amount of excise tax which would have been due had  
17            this exemption not been granted plus a penalty of  
18            twenty percent (20%). No such excise tax or penalty  
19            shall become due and payable if the vehicle is sold or  
20            transferred in a condition either physical or  
21            mechanical which would render it eligible for a  
22            salvage title pursuant to law or if the vehicle is  
23            sold and transferred in this state at any time prior  
24            to the expiration of twelve (12) months:

- (1) to the manufacturer of the vehicle or its controlled financing arm, or
- (2) to a factory authorized franchised new motor vehicle dealer which holds a franchise of the same line-make of the vehicle being purchased, or

d. when this exemption is claimed, Service Oklahoma shall issue a special title which shall restrict the transfer of the title only within this state prior to the expiration of twelve (12) months unless:

- (1) payment of the excise tax plus penalty as provided in this section is made,
- (2) the sale is made to a person specified in division (1) or (2) of subparagraph c of this paragraph, or
- (3) the vehicle is eligible for a salvage title.

For all other tax purposes vehicles herein exempted shall be treated as though the excise tax has been paid;

11. Any vehicle of the latest manufactured model, registered from a title in the name of the original manufacturer or assigned to the original manufacturer and issued by any state and transferred to a licensed, franchised Oklahoma motor vehicle dealer, as defined by Section 1102 of Title 47 of the Oklahoma Statutes, which holds a franchise of the same line-make as the vehicle being registered;

1       12. Any new motor vehicle, registered in the name of a  
2 manufacturer or dealer of new motor vehicles, for which a license  
3 plate has been issued pursuant to Section 1116.1 of Title 47 of the  
4 Oklahoma Statutes, if such vehicle is authorized by the manufacturer  
5 or dealer for personal use by an individual. The authorization for  
6 such use shall not exceed four (4) months which shall not be renewed  
7 or the exemption provided by this paragraph shall not be applicable.  
8 The exemption provided by this paragraph shall not be applicable to  
9 a transfer of ownership or registration subsequent to the first  
10 registration of the vehicle by a manufacturer or dealer;

11       13. Any vehicle, travel trailer, or commercial trailer of the  
12 latest manufacturer model purchased by a franchised Oklahoma dealer  
13 licensed to sell the same which holds a franchise of the same line-  
14 make as the vehicle, travel trailer, or commercial trailer being  
15 registered;

16       14. Any vehicle which is the subject of a lease or lease-  
17 purchase agreement and which the ownership of such vehicle is being  
18 obtained by the lessee, if the vehicle excise tax was paid at the  
19 time of the initial lease or lease-purchase agreement;

20       15. Any vehicle which:

21           a. is purchased by a private, nonprofit organization  
22                   which is exempt from taxation pursuant to the  
23                   provisions of Section 501(c) (3) of the Internal  
24                   Revenue Code, 26 U.S.C., Section 501(c) (3), and which

is primarily funded by a fraternal or civic service organization with at least one hundred local chapters or clubs, and

b. is designed and used to provide mobile health screening services to the general public at no cost to the recipient, and for which no reimbursement of any kind is received from any health insurance provider, health maintenance organization, or governmental program;

16. Any vehicle which is purchased by an individual who has

been honorably discharged from active service in any branch of the

Armed Forces of the United States or Oklahoma National Guard and who

has been certified by the United States Department of Veterans

Affairs, its successor, or the Armed Forces of the United States to

be a disabled veteran in receipt of compensation at the one-hundred

percent rate for a permanent disability sustained through military

action or accident resulting from disease contracted while in such

active service and registered with the veterans registry created by

the Oklahoma Department of Veterans Affairs; provided, that if the

veteran has previously received exemption pursuant to this

paragraph, no registration with the veterans registry shall be

required. This exemption may not be claimed by an individual for

more than one vehicle in a consecutive three-year period, unless the

vehicle is a replacement for a vehicle which was destroyed and

1 declared by the insurer to be a total loss claim. Service Oklahoma  
2 shall promulgate any rules necessary to implement the provisions of  
3 this section; or

4       17. Any vehicle which is purchased by an individual who is the  
5 surviving spouse of an individual who belongs to any branch of the  
6 United States Military who has been determined by the United States  
7 Department of Defense or any branch of the United States Military to  
8 be of Gold Star status. This exemption may not be claimed by an  
9 individual for more than one vehicle in a consecutive three-year  
10 period, unless the vehicle is a replacement for a vehicle which was  
11 destroyed and declared by the insurer to be a total loss claim.  
12 Service Oklahoma shall promulgate any rules necessary to implement  
13 the provisions of this section; or

14       18. Any vehicle on which ownership is transferred by a  
15 repossession directly back to the owner or owners from whom the  
16 vehicle was repossessed; provided, ownership shall be assigned by  
17 the repossession within thirty (30) days of issuance of the  
18 repossession title and shall be identical to that reflected in the  
19 vehicle title record immediately prior to the repossession.

20       SECTION 2. This act shall become effective November 1, 2026.

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22       60-2-14040       AO       01/09/26

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