

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 3237

By: Rosecrants

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 2105, as amended by Section 1, Chapter 71, O.S.L. 2023 (68 O.S. Supp. 2025, Section 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.

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

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

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

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

2. Any vehicle brought into this state by a person formerly 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,

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,  
24

- 1           c.    to a corporation where the former owners of the  
2               vehicle or motor vehicle transferred are, immediately  
3               after the transfer, in control of the corporation, and  
4               the stock or securities received by each is  
5               substantially in proportion to the interest in the  
6               vehicle or motor vehicle prior to the transfer,
- 7           d.    to a partnership if the former owners of the vehicle  
8               or motor vehicle transferred are, immediately after  
9               the transfer, members of such partnership and the  
10              interest in the partnership received by each is  
11              substantially in proportion to the interest in the  
12              vehicle or motor vehicle prior to the transfer,
- 13          e.    from a partnership to the members thereof when made in  
14               the dissolution of such partnership,
- 15          f.    to a limited liability company if the former owners of  
16               the vehicle or motor vehicle transferred are,  
17               immediately after the transfer, members of the limited  
18               liability company and the interest in the limited  
19               liability company received by each is substantially in  
20               proportion to the interest in the vehicle or motor  
21               vehicle prior to the transfer, or
- 22          g.    from a limited liability company to the members  
23               thereof when made in the dissolution of such  
24               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           (1) to the manufacturer of the vehicle or its  
2           controlled financing arm, or  
3           (2) to a factory authorized franchised new motor  
4           vehicle dealer which holds a franchise of the  
5           same line-make of the vehicle being purchased, or  
6       d. when this exemption is claimed, Service Oklahoma shall  
7           issue a special title which shall restrict the  
8           transfer of the title only within this state prior to  
9           the expiration of twelve (12) months unless:  
10          (1) payment of the excise tax plus penalty as  
11           provided in this section is made,  
12          (2) the sale is made to a person specified in  
13           division (1) or (2) of subparagraph c of this  
14           paragraph, or  
15          (3) the vehicle is eligible for a salvage title.

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

18       11. Any vehicle of the latest manufactured model, registered  
19       from a title in the name of the original manufacturer or assigned to  
20       the original manufacturer and issued by any state and transferred to  
21       a licensed, franchised Oklahoma motor vehicle dealer, as defined by  
22       Section 1102 of Title 47 of the Oklahoma Statutes, which holds a  
23       franchise of the same line-make as the vehicle being registered;  
24

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



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

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

10 16. Any vehicle which is purchased by an individual who has  
11 been honorably discharged from active service in any branch of the  
12 Armed Forces of the United States or Oklahoma National Guard and who  
13 has been certified by the United States Department of Veterans  
14 Affairs, its successor, or the Armed Forces of the United States to  
15 be a disabled veteran in receipt of compensation at the one-hundred-  
16 percent rate for a permanent disability sustained through military  
17 action or accident resulting from disease contracted while in such  
18 active service and registered with the veterans registry created by  
19 the Oklahoma Department of Veterans Affairs; provided, that if the  
20 veteran has previously received exemption pursuant to this  
21 paragraph, no registration with the veterans registry shall be  
22 required. This exemption may not be claimed by an individual for  
23 more than one vehicle in a consecutive three-year period, unless the  
24 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 reposessor directly back to the owner or owners from whom the  
16 vehicle was repossessed; provided, ownership shall be assigned by  
17 the reposessor 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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