

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                   1st Extraordinary Session of the 56th Legislature (2017)

4   HOUSE BILL 1111

                                  By: McCall

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7                                   AS INTRODUCED

8                   An Act relating to revenue and taxation; ordering a  
9                   legislative referendum pursuant to the Oklahoma  
10                  Constitution; stating purpose; imposing additional  
11                  tax levy upon cigarettes; specifying amount of  
12                  additional levy; providing for apportionment of  
13                  revenues; exempting levy from inclusion in  
14                  determination of certain amounts; requiring certain  
15                  collections and administration of levy; prohibiting  
16                  sale of cigarette excise tax stamps to wholesalers in  
17                  excess of certain amount; providing exception;  
18                  providing for codification; providing for  
19                  noncodification; providing ballot title; and  
20                  directing filing.

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

22                  SECTION 1. Pursuant to Section 3 of Article V of the Oklahoma  
23                  Constitution, there is hereby ordered the following legislative  
24                  referendum which shall be filed with the Secretary of State and  
                    addressed to the Governor of the state, who shall submit the same to  
                    the people for their approval or rejection at the next General  
                    Election.

1 SECTION 2. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 302-7 of Title 68, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. For the purpose of providing revenue for the support of the  
5 functions of state government, in addition to the tax levied in  
6 Sections 302, 302-1, 302-2, 302-3, 302-4 and 302-5 of Title 68 of  
7 the Oklahoma Statutes, there is hereby levied upon the sale, use,  
8 gift, possession or consumption of cigarettes, as defined in  
9 Sections 301 through 325 of Title 68 of the Oklahoma Statutes,  
10 within this state, a tax at the rate of \_\_\_\_\_ mills per  
11 cigarette.

12 B. 1. Except as provided in paragraph 2 of this subsection,  
13 the revenue resulting from the additional tax levied in subsection A  
14 of this section shall be apportioned as provided in paragraph 3 of  
15 this subsection.

16 2. The net amount of any revenue resulting from a payment in  
17 lieu of excise taxes on cigarettes levied by this section, which net  
18 amount shall be calculated after deductions for rebates owed  
19 pursuant to a compact with a federally recognized Indian tribe or  
20 nation, shall be apportioned as provided in paragraph 3 of this  
21 subsection.

22 3. The resulting revenues as described by paragraphs 1 and 2 of  
23 this subsection shall be apportioned by the Oklahoma Tax Commission  
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1 and transmitted to the State Treasurer who shall deposit such  
2 revenue in the General Revenue Fund.

3 C. No part of the revenues resulting from the additional taxes  
4 levied in this section shall be used in determining the amount of  
5 cigarette tax collections to be paid into:

6 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund  
7 pursuant to the provisions of Sections 57.31 through 57.43 of Title  
8 62 of the Oklahoma Statutes;

9 2. The State of Oklahoma Institutional Building Bonds of 1965  
10 Sinking Fund pursuant to the provisions of Sections 57.61 through  
11 57.73 of Title 62 of the Oklahoma Statutes;

12 3. The State of Oklahoma Institutional Building Bonds of 1965  
13 Sinking Fund Series C and Series D pursuant to the provisions of  
14 Sections 57.81 through 57.112 of Title 62 of the Oklahoma Statutes;

15 4. The State of Oklahoma Building Bonds of 1968 Sinking Fund  
16 pursuant to the provisions of Sections 57.121 through 57.193 of  
17 Title 62 of the Oklahoma Statutes; or

18 5. The Oklahoma Building Bonds of 1992 Sinking Fund pursuant to  
19 the provisions of Sections 57.300 through 57.313 of Title 62 of the  
20 Oklahoma Statutes.

21 D. The cigarette taxes levied in this section shall be  
22 collected and administered as provided by law for other cigarette  
23 taxes now levied, collected and administered pursuant to the  
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1 provisions of Sections 301 through 325 of Title 68 of the Oklahoma  
2 Statutes.

3 SECTION 3. NEW LAW A new section of law not to be  
4 codified in the Oklahoma Statutes reads as follows:

5 The Oklahoma Tax Commission shall not sell cigarette excise tax  
6 stamps to any wholesaler in excess of the amount of the monthly  
7 average amount of such excise tax stamps sold to such wholesaler  
8 during the preceding calendar year prior to the effective date of  
9 Sections 1 and 2 of this act. Provided, the wholesaler may purchase  
10 in excess of the monthly average purchased during the preceding  
11 calendar year upon documentation, to the Tax Commission's  
12 satisfaction, of probable sales greater than the wholesaler's sales  
13 in the preceding calendar year.

14 SECTION 4. The Ballot Title for the proposed act shall be in  
15 the following form:

16 BALLOT TITLE  
17 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

18 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

19 The measure levies upon the sale, use, gift, possession or  
20 consumption of cigarettes, a tax of \_\_\_\_\_ mills per  
21 cigarette. The measure apportions revenue from such tax to the  
22 State's General Revenue Fund. The measure requires that the tax  
23 shall be collected and administered in the same manner as  
24 existing cigarette taxes. The measure limits the sale of

1 cigarette excise tax stamps to wholesalers by the Oklahoma Tax  
2 Commission.

3 SHALL THE PROPOSAL BE APPROVED?

4 FOR THE PROPOSAL - YES \_\_\_\_\_

5 AGAINST THE PROPOSAL - NO \_\_\_\_\_

6 SECTION 5. The Chief Clerk of the House of Representatives,  
7 immediately after the passage of this act, shall prepare and file  
8 one copy thereof, including the Ballot Title set forth in SECTION 4  
9 hereof, with the Secretary of State and one copy with the Attorney  
10 General.

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12 DIRECT TO CALENDAR.  
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