

1 STATE OF OKLAHOMA

2 1st Extraordinary Session of the 56th Legislature (2017)

3 HOUSE BILL 1141

By: Wallace and Casey of the  
House

4 and

5 David and Fields of the  
6 Senate

7  
8  
9 AS INTRODUCED

10 An Act relating to revenue and taxation; ordering a  
11 legislative referendum pursuant to the Oklahoma  
12 Constitution; stating purpose; imposing tax on  
13 gasoline and diesel fuel; establishing amount of tax  
14 per gallon; requiring deposit of certain revenue,  
15 penalties and interest in certain fund; amending 68  
16 O.S. 2011, Section 500.10, which relates to exemption  
17 from motor fuels tax; extending exemptions to  
18 additional tax levy; providing for codification;  
19 providing ballot title; and directing filing.

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

23 SECTION 1. Pursuant to Section 3 of Article V of the Oklahoma  
24 Constitution, there is hereby ordered the following legislative  
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 500.4B 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 imposed by  
6 Section 500.4 of Title 68 of the Oklahoma Statutes, there is hereby  
7 imposed a tax of \_\_\_\_\_ per gallon on all:

- 8 1. Gasoline used or consumed in this state; and
- 9 2. Diesel fuel used or consumed in this state.

10 B. All remaining revenue from the tax imposed by subsection A  
11 of this section and penalties and interest thereon collected by the  
12 Oklahoma Tax Commission, after the requirements of Section 500.63 of  
13 this title have been fulfilled, shall be deposited in the State  
14 Treasury to the credit of the Rebuilding Oklahoma Access and Driver  
15 Safety Fund created in Section 1521 of Title 69 of the Oklahoma  
16 Statutes.

17 SECTION 3. AMENDATORY 68 O.S. 2011, Section 500.10, is  
18 amended to read as follows:

19 Section 500.10 Subject to the procedural requirements and  
20 conditions set out in this section and Sections 500.11 through  
21 500.17 of this title, the following are exempt from the ~~tax~~ taxes on  
22 motor fuel imposed by Section 500.4 of this title ~~on motor fuel and~~  
23 Section 2 of this act:

24

1        1. Motor fuel for which proof of export is available in the  
2 form of a terminal-issued destination state shipping paper:

3            a. exported by a supplier who is licensed in the  
4 destination state, or

5            b. sold by a supplier to a licensed exporter for  
6 immediate export;

7        2. Motor fuel which was acquired by an unlicensed exporter and  
8 as to which the tax imposed by Section 500.4 of this title has  
9 previously been paid or accrued and was subsequently exported by  
10 transport truck by or on behalf of the licensed exporter in a  
11 diversion across state boundaries properly reported in conformity  
12 with Section 500.46 of this title;

13        3. Motor fuel exported out of a bulk plant in this state in a  
14 tank wagon if the destination of that vehicle does not exceed  
15 twenty-five (25) miles from the border of this state and as to which  
16 the tax imposed by Section 500.4 of this title has previously been  
17 paid or accrued, subject to gallonage limits and other conditions  
18 established by the Oklahoma Tax Commission;

19        4. K-1 kerosene sold at retail through dispensers which have  
20 been designed and constructed to prevent delivery directly from the  
21 dispenser into a vehicle fuel supply tank, and K-1 kerosene sold at  
22 retail through nonbarricaded dispensers in quantities of not more  
23 than twenty-one (21) gallons for use other than for highway  
24

1 purposes, under such rules as the Tax Commission shall reasonably  
2 require;

3 5. Motor fuel sold to the United States or any agency or  
4 instrumentality thereof;

5 6. Motor fuel used solely and exclusively in district-owned  
6 public school vehicles or FFA and 4-H Club trucks for the purpose of  
7 legally transporting public school children, and motor fuel  
8 purchased by any school district for use exclusively in school buses  
9 leased or hired for the purpose of legally transporting public  
10 school children, or in the operation of vehicles used in driver  
11 training;

12 7. Motor fuel used solely and exclusively as fuel to propel  
13 motor vehicles on the public roads and highways of this state, when  
14 leased or owned and being operated for the sole benefit of a county,  
15 city, town, a volunteer fire department with a state certification  
16 and rating, rural electric cooperatives, rural water and sewer  
17 districts, rural irrigation districts organized under the Oklahoma  
18 Irrigation District Act, conservancy districts and master  
19 conservancy districts organized under the Conservancy Act of  
20 Oklahoma, rural ambulance service districts, or federally recognized  
21 Indian tribes;

22 8. Motor fuel used as fuel for farm tractors or stationary  
23 engines owned or leased and operated by any person and used  
24 exclusively for agricultural purposes, except as to two and eight

1 one-hundredths cents (\$0.0208) per gallon of gasoline as provided in  
2 subsection C of Section 500.4 of this title;

3 9. Gasoline, diesel fuel and kerosene sold for use as fuel to  
4 generate power in aircraft engines, whether in aircraft or for  
5 training, testing or research purposes of aircraft engines, except  
6 as to eight one-hundredths of one cent (\$0.0008) per gallon as  
7 provided in subsection B of Section 500.4 of this title;

8 10. Motor fuel sold within an Indian reservation or within  
9 Indian country by a federally recognized Indian tribe to a member of  
10 that tribe and used in motor vehicles owned by that member of the  
11 tribe. This exemption does not apply to sales within an Indian  
12 reservation or within Indian country by a federally recognized  
13 Indian tribe to non-Indian consumers or to Indian consumers who are  
14 not members of the tribe selling the motor fuel;

15 11. Subject to determination by the Tax Commission, that  
16 portion of diesel fuel:

- 17 a. used to operate equipment attached to a motor vehicle,  
18 if the diesel fuel was placed into the fuel supply  
19 tank of a motor vehicle that has a common fuel  
20 reservoir for travel on a highway and for the  
21 operation of equipment, or  
22 b. consumed by the vehicle while the vehicle is parked  
23 off the highways of this state;

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1 12. Motor fuel acquired by a consumer out of state and carried  
2 into this state, retained within and consumed from the same vehicle  
3 fuel supply tank within which it was imported;

4 13. Diesel fuel used as heating oil, or in railroad locomotives  
5 or any other motorized flanged-wheel rail equipment, or used for  
6 other nonhighway purposes other than as expressly exempted under  
7 another provision;

8 14. Motor fuel which was lost or destroyed as a direct result  
9 of a sudden and unexpected casualty;

10 15. Taxable diesel which had been accidentally contaminated by  
11 dye so as to be unsaleable as highway fuel as proved by proper  
12 documentation;

13 16. Dyed diesel fuel;

14 17. Motor fuel sold to the Oklahoma Space Industry Development  
15 Authority or any spaceport user as defined in the Oklahoma Space  
16 Industry Development Act; and

17 18. Biofuels or biodiesel produced by an individual with crops  
18 grown on property owned by the same individual and used in a vehicle  
19 owned by the same individual on the public roads and highways of  
20 this state.

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

23 BALLOT TITLE

24 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

1 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

2 The measure levies a \_\_\_\_\_ per gallon tax on gasoline  
3 and diesel fuel used or consumed in this state. The measure  
4 apportions revenue from such tax to the state's Rebuilding  
5 Oklahoma Access and Driver Safety Fund. The measure provides  
6 that motor fuel use and consumption currently exempt from motor  
7 fuel tax, will also be exempt from the additional tax levied by  
8 the measure.

9 SHALL THE PROPOSAL BE APPROVED?

10 FOR THE PROPOSAL - YES \_\_\_\_\_

11 AGAINST THE PROPOSAL - NO \_\_\_\_\_

12 SECTION 5. The Chief Clerk of the House of Representatives,  
13 immediately after the passage of this act, shall prepare and file  
14 one copy thereof, including the Ballot Title set forth in SECTION 4  
15 hereof, with the Secretary of State and one copy with the Attorney  
16 General.

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18 56-1EX-50159 JM 09/25/17  
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