

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1348

6 By: Fetgatter

7 COMMITTEE SUBSTITUTE

8 An Act relating to heavy equipment rentals; defining
9 terms; authorizing imposition of recovery fee with
10 respect to heavy equipment; requiring retention of
11 fee; specifying purpose of fee; providing certain
12 transactions exempt from fee requirement; requiring
13 report to Oklahoma Tax Commission related to payment
14 of personal property taxes; providing for payment of
15 certain fee amount to General Revenue Fund;
16 prohibiting imposition of sales tax on recovery fee
17 amounts; providing for codification; providing an
18 effective date; and declaring an emergency.

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

20 SECTION 1. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 2807.10 of Title 68, unless
22 there is created a duplication in numbering, reads as follows:

23 As used in this act:

24 1. "Heavy equipment property" includes all rental property
owned or held by a rental business classified under Industry Code
No. "532412" or "532310" of the 2017 North American Industry

1 Classification System as published by the United States Bureau of
2 the Census;

3 2. "Primarily" means more than fifty-one percent (51%) of the
4 annual revenue of the business is derived from the rental of
5 personal property; and

6 3. "Rental charge" is defined as the charge of the rental and
7 does not include any other costs such as pickup and delivery, fuel
8 or damage waiver.

9 SECTION 2. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 2807.11 of Title 68, unless
11 there is created a duplication in numbering, reads as follows:

12 A. Except as provided in subsection B of this section, a
13 company primarily in the business of renting heavy equipment
14 property located in this state may include as a separate line item
15 on the rental invoice a recovery fee of one and one-quarter percent
16 (1.25%) on the rental charge from any item of heavy equipment
17 property rental by a customer. The total amount of the recovery fee
18 shall be retained by the business for the purposes of paying
19 personal property taxes levied by all taxing jurisdictions against
20 the heavy equipment property located in the state.

21 B. Notwithstanding the provisions of subsection A of this
22 section, the recovery fee provided in this section shall not apply
23 to the rental of heavy equipment property to the federal government,
24 any federally recognized Indian tribe, or the State of Oklahoma, any

1 municipality or any county. There shall not be any other exemptions
2 from the recovery fee.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2807.12 of Title 68, unless
5 there is created a duplication in numbering, reads as follows:

6 The recovery fee shall not be subject to state or local sales
7 tax.

8 SECTION 4. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 2807.13 of Title 68, unless
10 there is created a duplication in numbering, reads as follows:

11 Annually, on or before February 15 each rental business that
12 collects the equipment rental recovery fee shall be required to
13 submit to the Tax Commission a consolidated report showing the
14 aggregated personal property taxes paid in the state during the
15 previous calendar year and the aggregated recovery collections in
16 the state. If the aggregated recovery collections in the state
17 exceed the aggregated taxes paid in the state, the excess shall be
18 paid to the General Revenue Fund.

19 SECTION 5. This act shall become effective July 1, 2023.

20 SECTION 6. It being immediately necessary for the preservation
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1 of the public peace, health or safety, an emergency is hereby
2 declared to exist, by reason whereof this act shall take effect and
3 be in full force from and after its passage and approval.

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