

1 **SENATE FLOOR VERSION**

2 April 5, 2016

3 **AS AMENDED**

4 ENGROSSED HOUSE

5 BILL NO. 1553

6 By: Sears of the House

7 and

8 Mazzei of the Senate

9 **[ revenue and taxation - Heavy Equipment Rental Fee**  
10 **Act - recovery fee - codification - effective date ]**

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

12 SECTION 1. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 5501 of Title 68, unless there  
14 is created a duplication in numbering, reads as follows:

15 This act shall be known and may be cited as the "Heavy Equipment  
16 Rental Fee Act".

17 SECTION 2. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 5502 of Title 68, unless there  
19 is created a duplication in numbering, reads as follows:

20 A company in the business of renting heavy equipment property  
21 located in this state may include in the rental invoice a one and  
22 one-half percent (1.50%) recovery fee on the rental charge from any  
23 item of heavy equipment property rental by a customer. The total  
24 amount of the recovery fee shall be retained by the business for the

1 purpose of paying personal property taxes levied by all taxing  
2 jurisdictions against the heavy equipment property located in the  
3 state.

4 SECTION 3. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 5503 of Title 68, unless there  
6 is created a duplication in numbering, reads as follows:

7 A. As used in this act, "heavy equipment property" means  
8 property owned or held by a rental business classified under code  
9 532412, 532310 or 423810 of the 2002 North American Industry  
10 Classification System (2012) as published by the Bureau of the  
11 Census.

12 B. As used in this act, "rental charge" means the charge of the  
13 rental of heavy equipment property. It does not include any other  
14 costs such as pickup and delivery, fuel or damage waiver.

15 SECTION 4. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 5504 of Title 68, unless there  
17 is created a duplication in numbering, reads as follows:

18 The recovery fee shall not be subject to state or local sales  
19 tax.

20 SECTION 5. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 5505 of Title 68, unless there  
22 is created a duplication in numbering, reads as follows:

23 Annually, on or before March 15, each rental business that  
24 collects the equipment rental surcharge is required to submit to the

1 Oklahoma Tax Commission a consolidated report showing the total  
2 personal property taxes paid in the state during the previous  
3 calendar year and the total surcharge collections. If the total  
4 surcharge collections exceed the taxes paid, that excess shall be  
5 remitted to the Oklahoma Tax Commission.

6 SECTION 6. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 5506 of Title 68, unless there  
8 is created a duplication in numbering, reads as follows:

9 All monies collected under Section 5 of this act shall be  
10 transmitted annually by April 15 of the following tax period by the  
11 Oklahoma Tax Commission to the State Treasurer of the State of  
12 Oklahoma to be placed to the credit of the General Revenue Fund of  
13 the state, to be paid out only pursuant to direct appropriations of  
14 the Legislature for general governmental functions of the State of  
15 Oklahoma.

16 SECTION 7. This act shall become effective January 1, 2017.

17 COMMITTEE REPORT BY: COMMITTEE ON FINANCE  
18 April 5, 2016 - DO PASS AS AMENDED

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