

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SUBCOMMITTEE RECOMENDATION  
4 FOR

5 HOUSE BILL NO. 1858

6 By: Wright

7  
8 SUBCOMMITTEE RECOMENDATION

9 [ low-point beer - excise tax - sales tax - effective

10 date -

11 emergency ]

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

16 SECTION 1. AMENDATORY 37 O.S. 2011, Section 163.3, is  
17 amended to read as follows:

18 Section 163.3 A. There is hereby levied on all low-point beer  
19 containing more than one-half of one percent (1/2 of 1%) of alcohol  
20 measured by volume and not more than three and two-tenths percent  
21 (3.2%) of alcohol measured by weight which are manufactured and  
22 sold, or removed for consumption or sale, within this state a tax of  
23 ~~Eleven Dollars and twenty-five cents (\$11.25)~~ Forty-five Dollars  
24 (\$45.00) for every barrel containing not more than thirty-one (31)

1 gallons, and at a like rate of tax for any other quantities or for a  
2 fractional part of a barrel. Provided, any low-point beer  
3 manufactured in this state for export or produced pursuant to a  
4 valid personal use permit issued by the Alcoholic Beverage Laws  
5 Enforcement Commission pursuant to Section 4 520A of this ~~act~~ title  
6 shall not be taxed as provided in this section.

7 Each wholesaler making reports and remittances to the Oklahoma  
8 Tax Commission shall be allowed the sum of one percent (1%) of the  
9 tax remittances collected for maintaining and collecting the tax for  
10 the benefit of this state.

11 Machinery and equipment directly used in the manufacture within  
12 this state of low-point beer taxed pursuant to the provisions of  
13 this section shall be exempt from taxation under any other law of  
14 this state levying a sales or consumers or use tax.

15 B. The tax collected pursuant to this section shall be  
16 apportioned as follows:

17 1. Eleven Dollars and twenty-five cents (\$11.25) of the tax  
18 shall be deposited in the General Revenue Fund of the state; and

19 2. The remaining Thirty-three Dollars and seventy-five cents  
20 (\$33.75) of the tax shall be apportioned to the state,

21 municipalities, and counties that levy a sales tax, in the  
22 proportions which each entity received in sales tax in the preceding  
23 month. The amount allocated to the state shall be apportioned  
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1 pursuant to the provisions of Section 1353 of Title 68 of the  
2 Oklahoma Statutes.

3 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1355, is  
4 amended to read as follows:

5 Section 1355. There are hereby specifically exempted from the  
6 tax levied pursuant to the provisions of Section 1350 et seq. of  
7 this title:

8 1. Sale of gasoline, motor fuel, methanol, "M-85" which is a  
9 mixture of methanol and gasoline containing at least eighty-five  
10 percent (85%) methanol, compressed natural gas, liquefied natural  
11 gas, or liquefied petroleum gas on which the Motor Fuel Tax,  
12 Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special  
13 Fuels Tax levied in Section 500.1 et seq., Section 601 et seq. or  
14 Section 701 et seq. of this title has been, or will be paid;

15 2. Sale of motor vehicles or any optional equipment or  
16 accessories attached to motor vehicles on which the Oklahoma Motor  
17 Vehicle Excise Tax levied in Section 2101 et seq. of this title has  
18 been, or will be paid;

19 3. Sale of crude petroleum or natural or casinghead gas and  
20 other products subject to gross production tax pursuant to the  
21 provisions of Section 1001 et seq. and Section 1101 et seq. of this  
22 title. This exemption shall not apply when such products are sold  
23 to a consumer or user for consumption or use, except when used for  
24 injection into the earth for the purpose of promoting or

1 facilitating the production of oil or gas. This paragraph shall not  
2 operate to increase or repeal the gross production tax levied by the  
3 laws of this state;

4 4. Sale of aircraft on which the tax levied pursuant to the  
5 provisions of Sections 6001 through 6007 of this title has been, or  
6 will be paid or which are specifically exempt from such tax pursuant  
7 to the provisions of Section 6003 of this title;

8 5. Sales from coin-operated devices on which the fee imposed by  
9 Sections 1501 through 1512 of this title has been paid;

10 6. Leases of twelve (12) months or more of motor vehicles in  
11 which the owners of the vehicles have paid the vehicle excise tax  
12 levied by Section 2103 of this title;

13 7. Sales of charity game equipment on which a tax is levied  
14 pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of  
15 Title 3A of the Oklahoma Statutes, or which is sold to an  
16 organization that is:

17 a. a veterans' organization exempt from taxation pursuant  
18 to the provisions of paragraph (4), (7), (8), (10) or  
19 (19) of subsection (c) of Section 501 of the United  
20 States Internal Revenue Code of 1986, as amended, 26  
21 U.S.C., Section 501(c) et seq., or

22 b. a group home for mentally disabled individuals exempt  
23 from taxation pursuant to the provisions of paragraph  
24 (3) of subsection (c) of Section 501 of the United

1 States Internal Revenue Code of 1986, as amended, 26  
2 U.S.C., Section 501(c) et seq.;

3 8. Sales of cigarettes or tobacco products to:

4 a. a federally recognized Indian tribe or nation which  
5 has entered into a compact with the State of Oklahoma  
6 pursuant to the provisions of subsection C of Section  
7 346 of this title or to a licensee of such a tribe or  
8 nation, upon which the payment in lieu of taxes  
9 required by the compact has been paid, or

10 b. a federally recognized Indian tribe or nation or to a  
11 licensee of such a tribe or nation upon which the tax  
12 levied pursuant to the provisions of Section 349 or  
13 Section 426 of this title has been paid;

14 9. Leases of aircraft upon which the owners have paid the  
15 aircraft excise tax levied by Section 6001 et seq. of this title or  
16 which are specifically exempt from such tax pursuant to the  
17 provisions of Section 6003 of this title;

18 10. The sale of low-speed or medium-speed electrical vehicles on  
19 which the Oklahoma Motor Vehicle Excise Tax levied in Section 2101  
20 et seq. of this title has been or will be paid; ~~and~~

21 11. Effective January 1, 2005, sales of cigarettes on which the  
22 tax levied in Section 301 et seq. of this title or tobacco products  
23 on which the tax levied in Section 401 et seq. of this title has  
24 been paid; and

1        12. Sale of low-point beer on which the tax levied in Section  
2 163.3 of Title 37 of the Oklahoma Statutes has been paid.

3        SECTION 3. This act shall become effective July 1, 2015.

4        SECTION 4. It being immediately necessary for the preservation  
5 of the public peace, health and safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval.

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9        55-1-6930            JM            02/19/15

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