

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2234

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6
7 COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; enacting the
9 Driving on Road Infrastructure with Vehicles of
10 Electricity (DRIVE) Act of 2021; defining terms;
11 stating purpose of tax pursuant to Section 19 of
12 Article X of the Oklahoma Constitution; imposing tax
13 levy on certain transfer of electric power to
14 electric vehicles; providing for rate of tax;
15 providing exemption from tax on charging electric
16 vehicles at certain locations; providing for first
17 date of tax levy; restricting imposition of tax on
18 certain fees or charges; requiring charging stations
19 to make certain disclosures; prescribing requirements
20 related to remittance of tax; imposing due date;
21 requiring separate statement of tax on billing or
22 invoices; providing exemption from tax for certain
23 charging stations; providing for apportionment of
24 revenue to the Driving on Road Infrastructure with
Vehicles of Electricity (DRIVE) Revolving Fund;
requiring registration of charging stations; imposing
time limit for registration; imposing requirements
for metering systems; authorizing Oklahoma Tax
Commission to make inspections of charging stations;
prescribing penalty for failure to remit tax;
providing for inspections by Oklahoma Corporation
Commission; authorizing administrative rules;
providing for penalties; providing for apportionment
of penalty amounts; providing for income tax credit
for electric vehicle charging taxes paid for electric
vehicle; imposing limit on credit amount based on
registration fees paid; prohibiting use of credit to
reduce tax liability amount to less than zero;
providing for carryover; providing for additional
vehicle registration fees for electric vehicles;

1 providing for computation of registration fee
2 amounts; requiring publication of fee amounts on
3 agency website and in certain publications; providing
4 for apportionment of fee revenues; creating the
5 Driving on Road Infrastructure with Vehicles of
6 Electricity (DRIVE) Revolving Fund; providing for
7 apportionment of revenues to fund; providing for
8 expenditure of funds; amending 47 O.S. 2011, Section
9 1141.1, as amended by Section 4, Chapter 158, O.S.L.
10 2012 (47 O.S. Supp. 2020, Section 1141.1), which
11 relates to motor license agents; providing for
12 retention of certain amount with respect to electric
13 vehicles; amending 68 O.S. 2011, Section 1355, as
14 last amended by Section 1, Chapter 356, O.S.L. 2017
15 (68 O.S. Supp. 2020, Section 1355), which relates to
16 payment of taxes in lieu of sales tax; providing tax
17 on electricity transfers in lieu of state and local
18 sales tax; providing for codification; and providing
19 an effective date.

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

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 6501 of Title 68, unless there
23 is created a duplication in numbering, reads as follows:

24 This act shall be known and may be cited as the "Driving on Road
Infrastructure with Vehicles of Electricity (DRIVE) Act of 2021".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 6502 of Title 68, unless there
is created a duplication in numbering, reads as follows:

As used in this act:

1. "Charging station" means equipment by which electric current
is transferred to the power system of an electric vehicle together

1 with the real property upon which such equipment is located or
2 affixed;

3 2. "Charging station operator" means any person, firm, general
4 partnership, limited partnership, limited liability partnership,
5 corporation, limited liability company or any other lawfully
6 recognized business entity that owns or operates or owns and
7 operates a charging station in the state;

8 3. "Electric vehicle" means a 100%-electric or plug-in hybrid
9 electric motor vehicle with the following characteristics:

10 a. a 100%-electric motor vehicle originally equipped so
11 that the vehicle:

12 (1) draws propulsion energy solely from a battery
13 with at least twenty (20) kilowatt hours of
14 capacity, which can be recharged from any
15 external source of electricity,

16 (2) is manufactured primarily for use on public
17 streets, roads and highways, but does not include
18 a vehicle operated exclusively on a rail or
19 rails, and

20 (3) which has at least four wheels,

21 b. a plug-in hybrid electric motor vehicle which is
22 originally equipped so that the vehicle:

23 (1) draws propulsion energy from:

24 (a) an internal combustion engine, and

1 (b) a battery with at least five (5) kilowatt
2 hours of capacity, which can be recharged
3 from an external source of electricity,

4 (2) is manufactured primarily for use on public
5 streets, roads and highways, but does not include
6 a vehicle operated exclusively on a rail or
7 rails, and

8 (3) which has at least four wheels,

9 c. for purposes of this paragraph, the term "electric
10 vehicle" does not include a vehicle that is
11 manufactured primarily for off-road use, such as
12 primarily for use on a golf course, and that has a
13 maximum speed of thirty (30) miles per hour or less;

14 4. "Legacy chargers" means charging stations in operation prior
15 to November 1, 2021, that have never had a metering system in place
16 capable of measuring electricity transferred from the charging
17 station to the vehicle or are incapable of measuring the time
18 elapsed while actively charging a vehicle, and placing a fee on the
19 charging session; and

20 5. "Public charging station" means a location at which a
21 charging station owner or operator conducts for-profit business
22 using a metered system for the delivery of electric power to an
23 electric vehicle and charges the customer either for the electricity
24 transferred to the power system of the vehicle or for the duration

1 of time during which electricity is transferred to the power system
2 of the vehicle.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 6503 of Title 68, unless there
5 is created a duplication in numbering, reads as follows:

6 Pursuant to the requirement of Section 19 of Article X of the
7 Oklahoma Constitution, the purpose of the tax imposed pursuant to
8 the provisions of this act is to provide revenue for general
9 government expenditures.

10 SECTION 4. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 6504 of Title 68, unless there
12 is created a duplication in numbering, reads as follows:

13 A. There is hereby imposed a tax of three cents (\$0.03) per
14 kilowatt hour or its equivalent, as determined by the Oklahoma Tax
15 Commission, on the electric current used to charge or recharge the
16 battery or batteries of an electric vehicle. The tax shall be
17 levied beginning January 1, 2023.

18 B. The amount of tax prescribed or authorized by this section
19 shall not include any fees or charges associated with the method for
20 payment for the charging service, but shall be based only upon the
21 rate of tax and the electricity transferred during the charging
22 process.

23 C. The tax imposed pursuant to this section shall not be
24 applicable to electric vehicles charged at a private residence at

1 which the owner or occupant of the residence uses electric power
2 paid for by the owner or occupant of the residence which is supplied
3 to the residence by a regulated public utility, an electric
4 cooperative or other wholesale level of electric supply, whether or
5 not supplemented by electric power produced by the owner or occupant
6 using solar energy or other methods to provide electric power to the
7 residence.

8 SECTION 5. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 6505 of Title 68, unless there
10 is created a duplication in numbering, reads as follows:

11 A charging station operator shall make a full and conspicuous
12 disclosure at the site of the charging station and on the website
13 maintained by or on behalf of the owner or operator, if applicable,
14 or on a mobile software application for use on a cell phone, tablet
15 or similar handheld device of the rate at which the owner or
16 operator charges for electric power transferred to an electric
17 vehicle.

18 SECTION 6. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 6506 of Title 68, unless there
20 is created a duplication in numbering, reads as follows:

21 A. The tax imposed pursuant to the provisions of Section 4 of
22 this act shall be remitted monthly by each charging station owner or
23 operator. The tax shall be remitted using such forms as the
24 Oklahoma Tax Commission may prescribe for that purpose.

1 B. The tax and any required report shall be filed with the Tax
2 Commission not later than the twentieth day of the month following
3 the month during which the electric charging for an electric vehicle
4 occurred.

5 C. The charging station owner or operator shall separately
6 state on any invoice or billing document provided to the customer
7 the amount of the tax imposed pursuant to Section 4 of this act and
8 shall not include the tax amount in the total amount billed to the
9 customer.

10 D. The provisions of this section shall not prohibit a charging
11 station owner or operator from imposing a fee or charge in addition
12 to the kilowatt hour or other equivalent unit of measurement for the
13 transfer of electric power to an electric vehicle.

14 E. Legacy chargers shall be exempt from remitting the tax
15 levied in this section until November 1, 2041.

16 F. Public charging stations that have never charged a fee for
17 their use shall be exempt from remitting the tax levied in this
18 section until November 1, 2041.

19 SECTION 7. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 6507 of Title 68, unless there
21 is created a duplication in numbering, reads as follows:

22 The revenue derived from the tax levy imposed pursuant to the
23 provisions of Section 4 of this act shall be apportioned to the
24

1 Driving on Road Infrastructure with Vehicles of Electricity (DRIVE)
2 Revolving Fund created pursuant to Section 12 of this act.

3 SECTION 8. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 6508 of Title 68, unless there
5 is created a duplication in numbering, reads as follows:

6 A. All charging stations in operation prior to the effective
7 date of this act shall register with the Oklahoma Tax Commission not
8 later than January 31, 2023. The Oklahoma Tax Commission shall
9 provide or make available updated registration information to the
10 Oklahoma Corporation Commission.

11 B. For a charging station which begins operations for the first
12 time on or after November 1, 2021, the charging station owner or
13 operator shall register with the Oklahoma Tax Commission not later
14 than fifteen (15) days after the date as of which the first business
15 operations at the station site begin or by January 31, 2023,
16 whichever is later.

17 C. Any public charging station for an electric vehicle
18 constructed or which begins operations for the first time on or
19 after November 1, 2021, shall use a metering system that is capable
20 of imposing the cost for the charging service using a unit per
21 kilowatt hour or a comparable measurement as determined by the Tax
22 Commission, such as time elapsed while charging and the charging
23 capacity of the charging station. The metering system shall include
24 a system by which an audit of the electricity supplied through the

1 system may be performed to determine the amount of electricity
2 transferred to a customer and the cost charged by the charging
3 station owner or operator for each unit of electricity transferred.

4 D. The Oklahoma Tax Commission shall have the authority to
5 inspect the premises and equipment of any charging station owner or
6 operator to enforce compliance with the provisions of this section.

7 E. If a charging station owner or operator fails to remit the
8 tax as required by the provisions of this act, the Oklahoma Tax
9 Commission shall begin proceedings to terminate the charging station
10 owner or operator license to do business for failure to remit in the
11 same manner as prescribed by law for failure to remit sales tax.

12 SECTION 9. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 6509 of Title 68, unless there
14 is created a duplication in numbering, reads as follows:

15 A. The Oklahoma Corporation Commission shall have the authority
16 to require the inspection of the premises and equipment of any
17 charging station owner or operator to enforce compliance with the
18 provisions of this section.

19 B. The Corporation Commission shall have authority to:

20 1. Require periodic third-party testing, calibration and
21 inspection reports and require that those reports be submitted to
22 the Corporation Commission;

23

24

1 2. Promulgate rules as necessary to implement the provisions of
2 this section and to set fees necessary to carry out the duties and
3 responsibilities of the Commission pursuant to this act; and

4 3. Assess to charging station operators the costs of any
5 proceeding instituted by the Commission to enforce testing,
6 calibration and inspection report requirements.

7 C. If a charging station operator fails to meet the
8 requirements of this section or any rules promulgated to implement
9 the requirements of this section, the charging station operator
10 shall be subject to an administrative penalty from the Corporation
11 Commission not to exceed Five Hundred Dollars (\$500.00) per day, per
12 violation as provided by law.

13 D. All fees, fines or assessments collected through the
14 provisions of this section shall be deposited into the Oklahoma
15 Corporation Commission Revolving Fund.

16 SECTION 10. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 6510 of Title 68, unless there
18 is created a duplication in numbering, reads as follows:

19 A. As used in this section, "qualified electric vehicle" means
20 a 100%-electric or plug-in hybrid electric motor vehicle with the
21 following characteristics:

22 1. A 100%-electric motor vehicle originally equipped so that
23 the vehicle:

- a. draws propulsion energy solely from a battery with at least twenty (20) kilowatt hours of capacity, which can be recharged from any external source of electricity,
- b. is manufactured primarily for use on public streets, roads and highways, but does not include a vehicle operated exclusively on a rail or rails, and
- c. which has at least four wheels;

2. A plug-in hybrid electric motor vehicle which is originally equipped so that the vehicle:

- a. draws propulsion energy from:
 - (1) an internal combustion engine, and
 - (2) a battery with at least five (5) kilowatt hours of capacity, which can be recharged from an external source of electricity,
- b. is manufactured primarily for use on public streets, roads and highways, but does not include a vehicle operated exclusively on a rail or rails, and
- c. which has at least four wheels;

3. For purposes of this paragraph, the term "qualified 100%-electric and plug-in hybrid electric motor vehicle" does not include a vehicle that is manufactured primarily for off-road use, such as primarily for use on a golf course, and that has a maximum speed of thirty (30) miles per hour or less.

1 B. For taxable years beginning after December 31, 2021, there
2 shall be allowed as a credit against the tax imposed pursuant to
3 Section 2355 of Title 68 of the Oklahoma Statutes in the amount of
4 electric vehicle charging taxes paid by an individual or lawfully
5 recognized entity pursuant to Section 4 of this act.

6 C. With respect to a natural person filing either a single
7 status income tax return or persons filing a married status joint
8 return, the amount of the credit otherwise authorized by this
9 section shall not exceed the total amount of registration fees for
10 electric vehicles paid by the person or persons during the taxable
11 year for which the tax credit is claimed.

12 D. With respect to a taxpayer that is not a natural person, the
13 amount of the credit otherwise authorized by this section shall not
14 exceed the total amount of registration fees for electric vehicles
15 paid by the taxpayer during the taxable year for which the tax
16 credit is claimed.

17 E. The credit authorized by the provisions of this section
18 shall not be used to reduce the tax liability to less than zero (0).

19 F. To the extent not used, the credit authorized by the
20 provisions of this section may be carried over, in order, to each of
21 the five (5) succeeding taxable years.

22 SECTION 11. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 6511 of Title 68, unless there
24 is created a duplication in numbering, reads as follows:

1 A. In addition to the registration fees required pursuant to
2 the provisions of Section 1132 of Title 47 of the Oklahoma Statutes,
3 at the time of initial and renewal registration for any electric
4 vehicle, there shall be an additional fee based on the weight of the
5 electric vehicle as provided by subsections B and C of this section.

6 B. As used in subsections C and D of this section:

7 1. Class 1 vehicle means one having a gross weight of less than
8 six thousand (6,000) pounds;

9 2. Class 2 vehicle means one having a gross weight of at least
10 six thousand (6,000) pounds but not greater than ten thousand
11 (10,000) pounds;

12 3. Class 3, 4, 5 and 6 vehicle means one having a gross weight
13 of greater than ten thousand (10,000) pounds but not greater than
14 twenty-six thousand (26,000) pounds; and

15 4. Class 7 and 8 vehicle means one having a gross weight in
16 excess of twenty-six thousand (26,000) pounds.

17 C. The annual registration fee for electric vehicles other than
18 plug-in hybrid electric vehicles shall be as follows:

19 1. One Hundred Ten Dollars (\$110.00) for Class 1 vehicles;

20 2. One Hundred Fifty-eight Dollars (\$158.00) for Class 2
21 vehicles;

22 3. Three Hundred Sixty-three Dollars (\$363.00) for Class 3, 4,
23 5 and 6 vehicles; and
24

1 4. Two Thousand Two Hundred Fifty Dollars (\$2,250.00) for Class
2 7 and 8 vehicles.

3 D. The registration fee for a plug-in hybrid vehicle shall be
4 as follows:

5 1. Eighty-two Dollars (\$82.00) for Class 1 vehicles;

6 2. One Hundred Eighteen Dollars (\$118.00) for Class 2 vehicles;

7 3. Two Hundred Seventy-two Dollars (\$272.00) for Class 3, 4, 5
8 and 6 vehicles; and

9 4. One Thousand Six Hundred Eighty-seven Dollars (\$1,687.00)
10 for Class 7 and 8 vehicles.

11 E. Until July 1, 2027, the revenues derived from the fees
12 imposed pursuant to the provisions of this section shall be
13 apportioned to the Driving on Road Infrastructure with Vehicles of
14 Electricity (DRIVE) Revolving Fund created pursuant to Section 12 of
15 this act.

16 F. Beginning July 1, 2027, the revenues derived from the fees
17 imposed pursuant to the provisions of this section shall be
18 apportioned as follows:

19 1. Eighty-five percent (85%) shall be apportioned to the
20 Driving on Road Infrastructure with Vehicles of Electricity (DRIVE)
21 Revolving Fund created pursuant to Section 12 of this act; and

22 2. Fifteen percent (15%) shall be apportioned to the various
23 counties of the state. The Oklahoma Tax Commission shall distribute
24 such funds monthly to each county treasurer in the same manner as

1 monies are apportioned under the provisions of subparagraph b of
2 paragraph 4 of subsection A of Section 500.6 of Title 68 of the
3 Oklahoma Statutes. Each county treasurer shall deposit such funds
4 to the county's county highway fund and such funds shall be used for
5 maintenance and operations.

6 SECTION 12. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 6512 of Title 68, unless there
8 is created a duplication in numbering, reads as follows:

9 There is hereby created in the State Treasury a revolving fund
10 for the Oklahoma Tax Commission to be designated the "Driving on
11 Road Infrastructure with Vehicles of Electricity (DRIVE) Revolving
12 Fund". The fund shall be a continuing fund, not subject to fiscal
13 year limitations, and shall consist of all monies received by the
14 Oklahoma Tax Commission from sources provided by law. All monies
15 accruing to the credit of said fund are hereby appropriated and may
16 be budgeted and expended by the Oklahoma Tax Commission for the
17 purpose of administering the provisions of this act. Expenditures
18 from said fund shall be made upon warrants issued by the State
19 Treasurer against claims filed as prescribed by law with the
20 Director of the Office of Management and Enterprise Services for
21 approval and payment.

22 SECTION 13. AMENDATORY 47 O.S. 2011, Section 1141.1, as
23 amended by Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2020,
24 Section 1141.1), is amended to read as follows:

1 Section 1141.1 A. Each motor license agent shall be entitled
2 to retain the following amounts from the taxes and fees collected by
3 such agent to be used to fund the operation of the office of such
4 motor license agent subject to the provisions of Sections 1140
5 through 1147 of this title:

6 1. Beginning July 1, 2005, Two Dollars and eighty-one cents
7 (\$2.81) for each vehicle registered and for each special license
8 plate issued pursuant to the Oklahoma Vehicle License and
9 Registration Act. Beginning July 1, 2006, and thereafter, Three
10 Dollars and fifty-six cents (\$3.56) for each vehicle registered and
11 for each special license plate issued pursuant to the Oklahoma
12 Vehicle License and Registration Act;

13 2. One Dollar and twenty-five cents (\$1.25) for each
14 certificate of title issued for boats and motors pursuant to the
15 Oklahoma Statutes;

16 3. For each certificate of registration issued for boats and
17 motors pursuant to the Oklahoma Statutes, an amount determined
18 pursuant to the provisions of subsection B of this section;

19 4. Two Dollars and twenty-five cents (\$2.25) for each
20 certificate of title issued pursuant to the Oklahoma Vehicle License
21 and Registration Act. Provided, the fee retention amount for
22 certificates of title issued pursuant to the provisions of
23 subsection H of Section 1105 of this title, in which an insurer pays
24

1 the optional twenty-two-dollar-fee amount, is Four Dollars and fifty
2 cents (\$4.50);

3 5. Beginning October 1, 2000, three percent (3%) of the vehicle
4 excise tax collected pursuant to Section 2103 of Title 68 of the
5 Oklahoma Statutes. Beginning July 1, 2001, each motor license agent
6 shall be entitled to retain three and one hundred twenty-five one-
7 thousandths percent (3.125%) of the vehicle excise tax collected
8 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.

9 Beginning July 1, 2002, and for all subsequent years, each motor
10 license agent shall be entitled to retain three and twenty-five one-
11 hundredths percent (3.25%) of the vehicle excise tax collected
12 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.
13 However, beginning July 1, 2003, the Legislature shall annually
14 review the percentage to be retained by the motor license agents
15 pursuant to this paragraph to determine whether such percentage
16 should be adjusted;

17 6. Four percent (4%) of the excise tax collected on the
18 transfer of boats and motors pursuant to the Oklahoma Statutes;

19 7. Two Dollars (\$2.00) for each driver license, endorsement,
20 identification license, or renewal or duplicate issued pursuant to
21 Section 6-101 et seq. of this title;

22 8. Two Dollars (\$2.00) for the recording of security interests
23 as provided in Section 1110 of this title;

24

1 9. Two Dollars (\$2.00) for each inspection conducted pursuant
2 to subsection L of Section 1105 of this title;

3 10. Three Dollars (\$3.00) for each inspection conducted
4 pursuant to subsection M of Section 1105 of this title;

5 11. One Dollar (\$1.00) for each certificate of ownership filed
6 pursuant to subsection R of Section 1105 of this title;

7 12. One Dollar (\$1.00) for each temporary permit issued
8 pursuant to Section 1124 of this title;

9 13. One Dollar and fifty cents (\$1.50) for processing each
10 proof of financial responsibility, driver license information,
11 insurance verification information, and other additional information
12 as provided in Section 7-602 of this title;

13 14. The mailing fees and registration fees provided in Sections
14 1131 and 1140 of this title;

15 15. The notary fee provided in Section 1143 of this title;

16 16. Three Dollars (\$3.00) for each lien entry form completed
17 and recorded on a certificate of title pursuant to subsection G of
18 Section 1105 of this title;

19 17. Seven Dollars (\$7.00) for each notice of transfer as
20 provided by subsection B of Section 1107.4 of this title;

21 18. Seven Dollars (\$7.00) for each certificate of title or each
22 certificate of registration issued for repossessed vehicles pursuant
23 to Section 1126 of this title;

24

1 19. Any amount specifically authorized by law to be retained by
2 the motor license agent for the furnishing of a summary of a traffic
3 record; ~~and~~

4 20. Beginning July 1, 2009, each motor license agent shall also
5 be entitled to a portion of the penalties for delinquent
6 registration or payment of excise tax as provided for in subsection
7 C of Section 1115, subsection F of Section 1132 and subsection C of
8 Section 1151 of this title and of subsection A of Section 2103 of
9 Title 68 of the Oklahoma Statutes;

10 21. Beginning with the effective date of this act, each motor
11 license agent shall be entitled to retain Three Dollars and fifty-
12 six cents (\$3.56) for each electric vehicle registered pursuant to
13 the provisions of this act and such amount shall be in addition to
14 any other amount otherwise authorized by this section to be retained
15 with respect to a vehicle; and

16 22. Beginning with the effective date of this act, each motor
17 license agent shall be entitled to retain three and twenty-five one-
18 hundredths percent (3.25%) of the vehicle excise tax collected
19 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes for
20 each electric vehicle but such amount shall not be in addition to
21 any other amount otherwise authorized by this section to be retained
22 with respect to a vehicle.

1 The balance of the funds collected shall be remitted to the
2 Oklahoma Tax Commission as provided in Section 1142 of this title to
3 be apportioned pursuant to Section 1104 of this title.

4 B. For each certificate of registration issued for boats and
5 motors, each motor license agent shall be entitled to retain the
6 greater of One Dollar and twenty-five cents (\$1.25) or an amount to
7 be determined by the Tax Commission according to the provisions of
8 this subsection. At the end of fiscal year 1997 and each fiscal
9 year thereafter, the Tax Commission shall compute the average amount
10 of registration fees for all boats and motors registered in this
11 state during the fiscal year and shall multiply the result by six
12 and twenty-two one-hundredths percent (6.22%). The resulting
13 product shall be the amount which may be retained by each motor
14 license agent for each certificate of registration for boats and
15 motors issued during the following calendar year.

16 SECTION 14. AMENDATORY 68 O.S. 2011, Section 1355, as
17 last amended by Section 1, Chapter 356, O.S.L. 2017 (68 O.S. Supp.
18 2020, Section 1355), is amended to read as follows:

19 Section 1355. There are hereby specifically exempted from the
20 tax levied pursuant to the provisions of Section 1350 et seq. of
21 this title:

22 1. Sale of gasoline, motor fuel, methanol, "M-85" which is a
23 mixture of methanol and gasoline containing at least eighty-five
24 percent (85%) methanol, compressed natural gas, liquefied natural

1 gas, or liquefied petroleum gas on which the Motor Fuel Tax,
2 Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special
3 Fuels Tax levied in Section 500.1 et seq., Section 601 et seq. or
4 Section 701 et seq. of this title has been, or will be paid;

5 2. For the sale of motor vehicles or any optional equipment or
6 accessories attached to motor vehicles on which the Oklahoma Motor
7 Vehicle Excise Tax levied in Section 2101 et seq. of this title has
8 been, or will be paid, all but a portion of the levy provided under
9 Section 1354 of this title, equal to one and twenty-five-hundredths
10 percent (1.25%) of the gross receipts of such sales. Provided, the
11 sale of motor vehicles shall not be subject to any sales and use
12 taxes levied by cities, counties or other jurisdictions of the
13 state;

14 3. Sale of crude petroleum or natural or casinghead gas and
15 other products subject to gross production tax pursuant to the
16 provisions of Section 1001 et seq. and Section 1101 et seq. of this
17 title. This exemption shall not apply when such products are sold
18 to a consumer or user for consumption or use, except when used for
19 injection into the earth for the purpose of promoting or
20 facilitating the production of oil or gas. This paragraph shall not
21 operate to increase or repeal the gross production tax levied by the
22 laws of this state;

23 4. Sale of aircraft on which the tax levied pursuant to the
24 provisions of Sections 6001 through 6007 of this title has been, or

1 will be paid or which are specifically exempt from such tax pursuant
2 to the provisions of Section 6003 of this title;

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

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

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

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

17 b. a group home for mentally disabled individuals exempt
18 from taxation pursuant to the provisions of paragraph
19 (3) 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 c. a charitable ~~healthcare~~ health care organization which
23 is exempt from taxation pursuant to the provisions of
24 paragraph (3) of subsection (c) of Section 501 of the

1 United States Internal Revenue Code of 1986, as
2 amended, 26 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 349.1 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
19 on which the Oklahoma Motor Vehicle Excise Tax levied in Section
20 2101 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. Sales of electricity at charging stations as defined by
2 Section 2 of this act when the electricity is sold by a charging
3 station owner or operator for purposes of charging an electric
4 vehicle as defined by Section 2 of this act and the tax imposed
5 pursuant to Section 4 of this act is collected and remitted to the
6 Oklahoma Tax Commission.

7 SECTION 15. This act shall become effective November 1, 2021.

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9 58-1-7780 JM 02/25/21

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