

1 STATE OF OKLAHOMA

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

3 SENATE BILL 499

By: Fields

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5
6 AS INTRODUCED

7 An Act relating to motor fuel tax rate calculation;
8 amending 68 O.S. 2011, Section 500.4, as amended by
9 Section 3, Chapter 375, O.S.L. 2013 (68 O.S. Supp.
10 2016, Section 500.4), which relates to motor fuel tax
11 rates; providing exception; requiring certain annual
12 determination by Oklahoma Tax Commission; providing
13 method and procedures for determining preliminary tax
14 rates and adjusted tax rates; defining term;
15 specifying time period during which rates are in
16 force; updating statutory language; and declaring an
17 emergency.

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

19 SECTION 1. AMENDATORY 68 O.S. 2011, Section 500.4, as
20 amended by Section 3, Chapter 375, O.S.L. 2013 (68 O.S. Supp. 2016,
21 Section 500.4), is amended to read as follows:

22 Section 500.4. A. Except as otherwise provided in subsection
23 E of this section, a tax is imposed on all gasoline, compressed
24 natural gas, liquefied natural gas and all diesel fuel used or
consumed in this state as follows:

- 25 1. Gasoline, sixteen cents (\$0.16) per gallon;
- 26 2. Diesel fuel, thirteen cents (\$0.13) per gallon;

1 3. Compressed natural gas, five cents (\$0.05) per gasoline
2 gallons equivalent (gge) until the credit authorized pursuant to the
3 provisions of paragraph 1 of subsection A of Section 2357.22 of this
4 title expires. Upon the expiration of the credit authorized
5 pursuant to the provisions of paragraph 1 of subsection A of Section
6 2357.22 of this title, the rate of tax imposed upon compressed
7 natural gas shall be equal to the tax rate imposed on diesel fuel
8 using gasoline gallons equivalent (gge); and

9 4. Liquefied natural gas, five cents (\$0.05) per diesel gallon
10 equivalent (dge) until the credit authorized pursuant to the
11 provisions of paragraph 1 of subsection A of Section 2357.22 of this
12 title expires. Upon the expiration of the credit authorized
13 pursuant to the provisions of paragraph 1 of subsection A of Section
14 2357.22 of this title, the rate of tax imposed upon liquefied
15 natural gas shall be equal to the tax rate imposed on diesel fuel
16 using diesel gallon equivalent (dge), which shall be equal to six
17 and six one-hundredths (6.06) pounds of liquefied natural gas.

18 B. A tax is imposed on all gasoline, diesel fuel and kerosene
19 used or consumed in this state for use as fuel to generate power in
20 aircraft engines or for training, testing or research on aircraft
21 engines in the amount of eight one-hundredths of one cent (\$0.0008)
22 per gallon. All gasoline, diesel fuel and kerosene sold for use
23 under this subsection shall not be subject to the excise tax levied
24 in subsection A of this section.

1 C. Notwithstanding any exemption provided in Section 500.1 et
2 seq. of this title, all gasoline used or consumed in this state for
3 use as fuel for farm tractors or stationary engines and used
4 exclusively for agricultural purposes shall be subject to a tax in
5 the amount of two and eight one-hundredths cents (\$0.0208) per
6 gallon. All gasoline sold for use pursuant to this subsection shall
7 not be subject to the excise tax levied in subsection A of this
8 section. The term "farm tractor", as used herein, shall include all
9 tractor-type, motorized farm implements and equipment but shall not
10 include motor vehicles of the truck-type, pickup truck-type,
11 automobiles and other motor vehicles required to be registered and
12 licensed each year under the Oklahoma Vehicle License and
13 Registration Act.

14 D. It is the intent of this section to amend, revise,
15 incorporate and recodify the tax imposed on motor fuel and that the
16 tax shall be conclusively presumed to be a direct tax and shall be a
17 direct tax on the retail or ultimate consumer precollected for the
18 purpose of convenience and facility to the consumer. The levy and
19 assessment on other persons as specified in ~~this act~~ the Motor Fuel
20 Tax Code shall be as agents of the state for the precollection of
21 the tax. The provisions of this section shall in no way affect the
22 method of collecting the tax as provided in ~~this act~~ the Motor Fuel
23 Tax Code. The tax imposed by this section shall be collected and
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1 paid at those times, in the manner, and by those persons specified
2 in ~~this act~~ the Motor Fuel Tax Code.

3 E. The amount of tax imposed pursuant to subsection A of this
4 section shall be adjusted annually by the Oklahoma Tax Commission as
5 provided in this subsection:

6 1. In order to determine preliminary motor fuel tax rates, the
7 Tax Commission shall:

8 a. compare the average miles per gallon of all new
9 vehicles registered in this state pursuant to the
10 Oklahoma Vehicle License and Registration Act during
11 the calendar year which ended prior to the most
12 recently concluded calendar year and the most recently
13 concluded calendar year to determine the percentage
14 increase or decrease in fuel efficiency. For the
15 purposes of this subsection, "new vehicle" shall have
16 the same meaning as in Section 1102 of Title 47 of the
17 Oklahoma Statutes; and

18 b. multiply the motor fuel tax rates in force at the time
19 of such calculation by the percentage increase or
20 decrease in fuel efficiency calculated in subparagraph
21 a of this paragraph; and

22 2. In order to determine the adjusted motor fuel taxes to be
23 levied for the next ensuing time period as provided in paragraph 3
24 of this subsection, the Tax Commission shall adjust the preliminary

1 motor fuel tax rates calculated pursuant to paragraph 1 of this
2 subsection for inflation using the Consumer Price Index-All Urban
3 Consumers (CPI-U) as published by the Bureau of Labor Statistics of
4 the U.S. Department of Labor or its successor agency for the most
5 recently concluded calendar year.

6 3. The initial adjustment of motor fuel taxes shall be made as
7 soon as practicable after the effective date of this act and any
8 resulting rate change shall become effective on September 1, 2017.

9 Subsequent adjustments made pursuant to this subsection shall become
10 effective on September 1 of each year.

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

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