

1 STATE OF OKLAHOMA

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

3 SENATE BILL 593

By: Thompson

4
5 AS INTRODUCED

6 An Act relating to excise tax; amending 68 O.S. 2011,
7 Section 2103, as amended by Section 4, Chapter 316,
8 O.S.L. 2012 (68 O.S. Supp. 2020, Section 2103), which
9 relates to taxation on the sale of motor vehicles;
10 adding types of vehicles for which excise tax payment
11 is in lieu of all sales and use taxes; and providing
12 an effective date.

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

14 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2103, as
15 amended by Section 4, Chapter 316, O.S.L. 2012 (68 O.S. Supp. 2020,
16 Section 2103), is amended to read as follows:

17 Section 2103. A. 1. Except as otherwise provided in Sections
18 2101 through 2108 of this title, there shall be levied an excise tax
19 upon the transfer of legal ownership of any vehicle registered in
20 this state and upon the use of any vehicle registered in this state
21 and upon the use of any vehicle registered for the first time in
22 this state. Except for persons that possess an agricultural
23 exemption pursuant to Section 1358.1 of this title, the excise tax
24 shall be levied upon transfers of legal ownership of all-terrain
25 vehicles and motorcycles used exclusively off roads and highways
26 which occur on or after July 1, 2005, and upon transfers of legal

1 ownership of utility vehicles used exclusively off roads and
2 highways which occur on or after July 1, 2008. The excise tax for
3 new and used all-terrain vehicles, utility vehicles and motorcycles
4 used exclusively off roads and highways shall be levied at four and
5 one-half percent (4 1/2%) of the actual sales price of each new and
6 used all-terrain vehicle and motorcycle used exclusively off roads
7 and highways before any discounts or credits are given for a trade-
8 in. Provided, the minimum excise tax assessment for such all-
9 terrain vehicles, utility vehicles and motorcycles used exclusively
10 off roads and highways shall be Five Dollars (\$5.00). The excise
11 tax for new vehicles shall be levied at three and one-fourth percent
12 (3 1/4%) of the value of each new vehicle. The excise tax for used
13 vehicles shall be as follows:

- 14 a. from October 1, 2000, until June 30, 2001, Twenty
15 Dollars (\$20.00) on the first One Thousand Dollars
16 (\$1,000.00) or less of value of such vehicle, and
17 three and one-fourth percent (3 1/4%) of the remaining
18 value of such vehicle,
- 19 b. for the year beginning July 1, 2001, and ending June
20 30, 2002, Twenty Dollars (\$20.00) on the first One
21 Thousand Two Hundred Fifty Dollars (\$1,250.00) or less
22 of value of such vehicle, and three and one-fourth
23 percent (3 1/4%) of the remaining value of such
24 vehicle, and

1 c. for the year beginning July 1, 2002, and all
2 subsequent years, Twenty Dollars (\$20.00) on the first
3 One Thousand Five Hundred Dollars (\$1,500.00) or less
4 of value of such vehicle, and three and one-fourth
5 percent (3 1/4%) of the remaining value of such
6 vehicle.

7 2. There shall be levied an excise tax of Ten Dollars (\$10.00)
8 for any:

9 a. truck or truck-tractor registered under the provisions
10 of subsection A of Section 1133 of Title 47 of the
11 Oklahoma Statutes, for a laden weight or combined
12 laden weight of fifty-five thousand (55,000) pounds or
13 more,

14 b. trailer or semitrailer registered under subsection C
15 of Section 1133 of Title 47 of the Oklahoma Statutes,
16 which is primarily designed to transport cargo over
17 the highways of this state and generally recognized as
18 such, and

19 c. frac tank, as defined by Section 54 of Title 17 of the
20 Oklahoma Statutes, and registered under subsection C
21 of Section 1133 of Title 47 of the Oklahoma Statutes.

22 Except for frac tanks, the excise tax levied pursuant to this
23 paragraph shall not apply to special mobilized machinery, trailers,
24 or semitrailers manufactured, modified or remanufactured for the

1 purpose of providing services other than transporting cargo over the
2 highways of this state. The excise tax levied pursuant to this
3 paragraph shall also not apply to pickup trucks, vans, or sport
4 utility vehicles.

5 3. The tax levied pursuant to this section shall be due at the
6 time of the transfer of legal ownership or first registration in
7 this state of such vehicle; provided, the tax shall not be due at
8 the time of the issuance of a certificate of title for an all-
9 terrain vehicle, utility vehicle or motorcycle used exclusively off
10 roads and highways which is not required to be registered but which
11 the owner chooses to register pursuant to the provisions of
12 subsection B of Section 1115.3 of Title 47 of the Oklahoma Statutes,
13 and shall be collected by the Oklahoma Tax Commission or Corporation
14 Commission, as applicable, or an appointed motor license agent, at
15 the time of the issuance of a certificate of title for any such
16 vehicle. In the event an excise tax is collected on the transfer of
17 legal ownership or use of the vehicle during any calendar year, then
18 an additional excise tax must be collected upon all subsequent
19 transfers of legal ownership. In computing the motor vehicle excise
20 tax, the amount collected shall be rounded to the nearest dollar.
21 The excise tax levied by this section shall be delinquent from and
22 after the thirtieth day after the legal ownership or possession of
23 any vehicle is obtained. Any person failing or refusing to pay the
24 tax as herein provided on or before date of delinquency shall pay in

1 addition to the tax a penalty of One Dollar (\$1.00) per day for each
2 day of delinquency, but such penalty shall in no event exceed the
3 amount of the tax. Of each dollar penalty collected pursuant to
4 this subsection:

- 5 a. twenty-five cents (\$0.25) shall be apportioned as
6 provided in Section 1104 of this title;
- 7 b. twenty-five cents (\$0.25) shall be retained by the
8 motor license agent; and
- 9 c. fifty cents (\$0.50) shall be deposited in the General
10 Revenue Fund for the fiscal year beginning on July 1,
11 2011, and for all subsequent fiscal years, shall be
12 deposited in the State Highway Construction and
13 Maintenance Fund.

14 B. The excise tax levied in subsection A of this section and
15 assessed on all commercial vehicles registered pursuant to Section
16 1120 of Title 47 of the Oklahoma Statutes and trailers and
17 semitrailers registered under subsection C of Section 1133 of Title
18 47 of the Oklahoma Statutes to transport cargo over the highways of
19 this state shall be in lieu of all sales and use taxes levied
20 pursuant to the Sales Tax Code or the Use Tax Code. The transfer of
21 legal ownership of any motor vehicle as used in this section and the
22 Sales Tax Code and the Use Tax Code shall include the lease, lease
23 purchase or lease finance agreement involving any truck in excess of
24 eight thousand (8,000) pounds combined laden weight or any truck-

1 tractor provided the vehicle is registered in Oklahoma pursuant to
2 Section 1120 of Title 47 of the Oklahoma Statutes or any frac tank,
3 trailer, semitrailer or open commercial vehicle registered pursuant
4 to Section 1133 of Title 47 of the Oklahoma Statutes. The excise
5 tax levied pursuant to this section shall not be subsequently
6 collected at the end of the lease period if the lessee acquires
7 complete legal title of the vehicle.

8 C. The provisions of this section shall not apply to transfers
9 made without consideration between:

- 10 1. Husband and wife;
- 11 2. Parent and child; or
- 12 3. An individual and an express trust which that individual or
13 the spouse, child or parent of that individual has a right to
14 revoke.

15 D. 1. There shall be a credit allowed with respect to the
16 excise tax paid for a new vehicle which is a replacement for:

- 17 a. a new original vehicle which is stolen from the
18 purchaser/registrant within ninety (90) days of the
19 date of purchase of the original vehicle as certified
20 by a police report or other documentation as required
21 by the Tax Commission, or
- 22 b. a defective new original vehicle returned by the
23 purchaser/registrant to the seller within six (6)

1 months of the date of purchase of the defective new
2 original vehicle as certified by the manufacturer.

3 2. The credit allowed pursuant to paragraph 1 of this
4 subsection shall be in the amount of the excise tax which was paid
5 for the new original vehicle and shall be applied to the excise tax
6 due on the replacement vehicle. In no event shall the credit be
7 refunded.

8 E. Despite any other definitions of the terms "new vehicle" and
9 "used vehicle", to the contrary, contained in any other law, the
10 term "new vehicle" as used in this section shall also include any
11 vehicle of the latest manufactured model which is owned or acquired
12 by a licensed used motor vehicle dealer which has not previously
13 been registered in this state and upon which the motor vehicle
14 excise tax as set forth in this section has not been paid. However,
15 upon the sale or transfer by a licensed used motor vehicle dealer
16 located in this state of any such vehicle which is the latest
17 manufactured model, the vehicle shall be considered a used vehicle
18 for purposes of determining excise tax.

19 F. The provisions of this section shall not apply to state
20 government entities.

21 SECTION 2. This act shall become effective November 1, 2021.

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