

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 SENATE BILL 603

By: Rader

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5
6 AS INTRODUCED

7 An Act relating to the authorities and duties of the
8 Oklahoma Tax Commission; amending 3 O.S. 2021,
9 Sections 251, 254, 254.1, 255, 256, 256.1, 256.2, and
10 257, which relate to registration of aircraft;
11 transferring authorities and duties of the Commission
12 to Service Oklahoma; transferring rules promulgated
13 by the Commission relating to aircraft registration
14 provisions to Service Oklahoma; requiring the
15 Secretary of State to provide adequate notice for the
16 transfer; designating jurisdiction for administrative
17 rules on certain date; amending 68 O.S. 2021,
18 Sections 6002, 6003, 6004, as amended by Section 1,
19 Chapter 169, O.S.L. 2022, 6006, and 6007 (68 O.S.
20 Supp. 2022, Section 6004), which relate to aircraft
21 excise tax; transferring authorities and duties of
22 the Commission to Service Oklahoma; updating
23 statutory language; updating statutory references;
24 and providing an effective date.

17
18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. AMENDATORY 3 O.S. 2021, Section 251, is
20 amended to read as follows:

21 Section 251. A. It is hereby declared that it is the policy of
22 the Legislature to make registration procedures for aircraft similar
23 to those for automobiles, with the authority to accomplish the same
24 vested fully in ~~the Oklahoma Tax Commission~~ Service Oklahoma

1 separately from the Oklahoma Aeronautics Commission, the
2 jurisdiction of ~~the two Commissions~~, their directors and officers
3 being separate.

4 B. It shall be the duty of ~~the Oklahoma Tax Commission~~ Service
5 Oklahoma to promulgate any additional rules and regulations and
6 designate forms and procedures for the implementation of this act.

7 SECTION 2. AMENDATORY 3 O.S. 2021, Section 254, is
8 amended to read as follows:

9 Section 254. A. Except as otherwise provided in this act,
10 every owner or person in charge of an aircraft which shall be
11 operated on or from any airport of any type in this state shall for
12 each such aircraft cause to be filed by mail or otherwise with ~~the~~
13 ~~Oklahoma Tax Commission~~ Service Oklahoma a certified application for
14 registration of same, on a form to be furnished for that purpose,
15 containing:

16 1. A description of each aircraft to be registered including
17 the name of the manufacturer, aircraft registration number, type,
18 and gross weight; and

19 2. The name and address of the owner of such aircraft and the
20 county where aircraft is based. The legal basis for determining the
21 county where the aircraft is based shall be the location and/or
22 address on the Federal Aviation Administration Certificate of
23 Registration for the aircraft.

1 B. Registration requirements shall not apply to aircraft based
2 or operated in the state for less than thirty (30) days.

3 C. 1. All dealers in the sale of aircraft shall be exempt from
4 registration requirements upon purchase of a license from ~~the~~
5 ~~Oklahoma Tax Commission~~ Service Oklahoma pursuant to ~~Section 2 of~~
6 ~~this act~~ Section 254.1 of this title. This exemption shall not
7 apply to dealers' personal aircraft. The payment of the license fee
8 as set forth in Section 2 of this act shall be treated as a payment
9 in lieu of any ad valorem tax upon the value of aircraft owned by
10 the dealer.

11 2. Dealers' "sales aircraft" shall be exempt from payment of ad
12 valorem tax and registration fees and taxes as provided in Section
13 256 of this title upon certification to ~~the Oklahoma Tax Commission~~
14 Service Oklahoma that each particular aircraft is used for delivery
15 and demonstration purposes only.

16 D. All manufacturers of aircraft shall be exempt from
17 registration requirements upon purchase of an "exemption license"
18 from ~~the Oklahoma Tax Commission~~ Service Oklahoma, cost of which
19 shall be Two Hundred Fifty Dollars (\$250.00). The payment of the
20 fee prescribed by this subsection shall be treated as a payment in
21 lieu of any ad valorem tax upon the value of aircraft owned by the
22 manufacturer.

1 E. Registrants not having purchased registration certificates
2 in January will be penalized at the rate of twenty cents (\$0.20) per
3 day in February and doubled on the first day of March.

4 SECTION 3. AMENDATORY 3 O.S. 2021, Section 254.1, is
5 amended to read as follows:

6 Section 254.1. A. It shall be unlawful for any person to
7 engage in the business of selling new or used aircraft in this
8 state, or to serve in the capacity of, or act as a dealer of new or
9 used aircraft in this state without first obtaining a dealer license
10 as provided in this section. Any person utilizing more than one
11 location where such business is carried on or conducted shall be
12 required to obtain and hold a current license for each such
13 location.

14 B. Dealer licenses issued pursuant to this section shall be
15 issued only to persons that prove to the satisfaction of ~~the~~
16 ~~Oklahoma Tax Commission~~ Service Oklahoma that they are clearly
17 recognizable as bona fide dealers. Proof of bona fide dealer status
18 shall include, but not be limited to, the following:

19 1. Consistent identification of the business as a dealer
20 establishment in advertising, signs, telephone book listings, web
21 sites, and other similar means. The dealership shall be clearly
22 identifiable as such by any person who visits or deals with the
23 business; and
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1 2. A picture, upon application for a new license, of the
2 business location which includes the office and business sign.

3 C. Applications for licenses required to be obtained pursuant
4 to this section shall be verified by the oath or affirmation of the
5 applicant and shall be made on forms prescribed by ~~the Tax~~
6 ~~Commission~~ Service Oklahoma. The form shall contain such
7 information as ~~the Tax Commission~~ Service Oklahoma deems necessary
8 to enable it to fully determine the qualifications and eligibility
9 of the applicant to receive the license requested. ~~The Tax~~
10 ~~Commission~~ Service Oklahoma shall require in such application
11 information relating to:

12 1. Whether the applicant has an established place of business
13 and is primarily engaged in the pursuit or business of selling
14 aircraft;

15 2. Whether the applicant is able to properly conduct the
16 business for which the license has been requested; and

17 3. Such other pertinent information consistent with the
18 safeguarding of the public interest and the public welfare.

19 All applications for licenses shall be accompanied by the
20 appropriate fees in accordance with the provisions of this section.
21 In the event any application is denied and the license requested is
22 not issued, the entire license fee shall be returned to the
23 applicant.

1 D. All licenses issued pursuant to this section shall expire on
2 December 31 of the second year following the date of issue. All
3 licenses shall be nontransferable. All applications for renewal of
4 a license shall be submitted by November 1 of the year of renewal,
5 and such license shall be issued by January 1. If a licensee has
6 not made an application for renewal of the licenses by December 31,
7 it shall be illegal for that licensee to sell new or used aircraft
8 in this state or to serve in the capacity of or act as a dealer of
9 new or used aircraft in this state. If after December 31 the
10 license has not been renewed, then such licensee shall be required
11 to apply for a license as a new applicant.

12 E. The license fee to be charged and received by ~~the Tax~~
13 ~~Commission~~ Service Oklahoma for the license issued pursuant to this
14 section shall be Two Hundred Fifty Dollars (\$250.00). There shall
15 be no fee for renewal of a license unless the licensee is required
16 pursuant to this section to apply for a license as a new applicant.

17 F. ~~The Tax Commission~~ Service Oklahoma may deny an application
18 for a license, or revoke or suspend a license, or impose a fine not
19 to exceed Five Hundred Dollars (\$500.00) against a dealer for each
20 day that any provision of this section is violated, or for any of
21 the following reasons:

22 1. On satisfactory proof of unfitness of the applicant in any
23 application for a license pursuant to this section;

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1 2. For any material misstatement made by an applicant in any
2 application for a license pursuant to this section;

3 3. A change of condition after a license is granted resulting
4 in failure to maintain the qualifications for a license;

5 4. Being a dealer who:

6 a. uses false or misleading advertising in connection
7 with the business as a dealer,

8 b. has committed any unlawful act which resulted in the
9 revocation of any similar license in another state,

10 c. has failed or refused to perform any written agreement
11 with any retail buyer involving the sale of an
12 aircraft,

13 d. has been convicted of a crime involving moral
14 turpitude,

15 e. has committed a fraudulent act in selling, purchasing,
16 or otherwise dealing in aircraft, or has

17 misrepresented the terms and conditions of a sale,
18 purchase, or contract for sale or purchase of an
19 aircraft, or

20 f. has failed to meet or maintain the conditions and
21 requirements necessary to qualify for the issuance of
22 a license; or

23 5. Being a dealer who does not have an established place of
24 business.

1 ~~The Tax Commission~~ Service Oklahoma may also assess any excise
2 tax, including penalty and interest, against any dealer determined
3 by ~~the Tax Commission~~ Service Oklahoma to be in violation of this
4 section for any aircraft sold or purchased while such dealer was in
5 violation of this section.

6 G. The Tax Commission may deny any application for a license,
7 or suspend or revoke a license issued or impose a fine, only after
8 appropriate notice and a hearing as set forth by rule of ~~the Tax~~
9 ~~Commission~~ Service Oklahoma.

10 H. Any person holding a dealer license on July 1, 2000, issued
11 pursuant to Section 254 of Title 3 of the Oklahoma Statutes shall be
12 entitled to retain such license until December 31, 2000. At such
13 time, the dealer shall apply for a new license in accordance with
14 the provisions of this section.

15 SECTION 4. AMENDATORY 3 O.S. 2021, Section 255, is
16 amended to read as follows:

17 Section 255. A. Upon receipt of an application for the
18 registration of an aircraft, as herein provided, ~~the Oklahoma Tax~~
19 ~~Commission~~ Service Oklahoma shall file such application and register
20 such aircraft with the name and address of the owner, manufacturer
21 or dealer, as the case may be, together with facts stated in such
22 application, in a book or index to be kept for the purpose, under
23 the distinctive number assigned to such aircraft, which book or
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1 index shall be open for the inspection of the public during business
2 hours.

3 B. Upon the filing of such application and the payment of the
4 fee herein provided for, ~~the Oklahoma Tax Commission Service~~
5 Oklahoma shall assign to that aircraft the distinctive license
6 number used by the federal government to identify that aircraft, and
7 issue and deliver to the owner certificates of registration number
8 to be posted in a conspicuous place at the discretion of the owner
9 of such aircraft. Such certificates shall display the outline of
10 the State of Oklahoma imprinted thereupon. Such certificates shall
11 be subject to inspection by ~~the Oklahoma Tax Commission Service~~
12 Oklahoma.

13 C. In the event of loss, mutilation, or destruction of a
14 certificate of registration, the owner of a registered aircraft may
15 obtain from ~~the Oklahoma Tax Commission Service Oklahoma~~
16 thereof upon filing with ~~the Oklahoma Tax Commission Service~~
17 Oklahoma an affidavit showing the facts and upon the payment of a
18 service charge of One Dollar (\$1.00) for each duplicate.

19 D. Such registration shall be renewed annually, as in the
20 registration of automobiles, and in the same manner and upon payment
21 of the same fee as provided for the original aircraft registration.

22 E. The sale of registration certificates for aircraft shall be
23 by ~~the Oklahoma Tax Commission Service Oklahoma~~ and its agents.

24 Provided, that monies to be paid for processing or services for the

1 sale of registration certificates shall be deducted from the fees
2 provided by the scheduled rates.

3 F. Registration of aircraft may be transferred upon payment of
4 a fee of Ten Dollars (\$10.00).

5 SECTION 5. AMENDATORY 3 O.S. 2021, Section 256, is
6 amended to read as follows:

7 Section 256. A. Registration fees and taxes on aircraft shall
8 be paid to and collected by ~~the Oklahoma Tax Commission~~ Service
9 Oklahoma and its agents in the same manner as registration fees and
10 taxes are paid and collected on automobiles.

11 The registration and reregistration of aircraft shall be subject
12 to the following schedule and rates:

13 1. Single-engine piston aircraft shall be taxed according to
14 the following Schedule "A":

15 SCHEDULE "A"

| 16 WEIGHT IN POUNDS | FEE |
|-------------------------|----------|
| 17 Less than 1,750 | \$30.00 |
| 18 1,751 through 2,500 | \$52.50 |
| 19 2,501 through 3,500 | \$82.50 |
| 20 3,501 through 4,500 | \$112.50 |
| 21 4,501 through 5,500 | \$142.50 |
| 22 5,501 through 6,500 | \$172.50 |
| 23 6,501 through 8,500 | \$202.50 |
| 24 8,501 through 10,000 | \$277.50 |

| | | |
|----|------------------------|------------|
| 1 | 10,001 through 13,000 | \$345.00 |
| 2 | 13,001 through 17,000 | \$397.50 |
| 3 | 17,001 through 20,000 | \$450.00 |
| 4 | 20,001 through 25,000 | \$562.50 |
| 5 | 25,001 through 30,000 | \$750.00 |
| 6 | 30,001 through 40,000 | \$937.50 |
| 7 | 40,001 through 50,000 | \$1,125.00 |
| 8 | 50,001 through 75,000 | \$1,500.00 |
| 9 | 75,001 through 100,000 | \$1,875.00 |
| 10 | 100,001 and over | \$2,250.00 |

11 2. Rotary-wing aircraft shall be taxed at two times the
12 Schedule "A" fee, based on the same weight classifications.

13 3. Multiengine piston aircraft shall be taxed at three times
14 the Schedule "A" fee, based on the same weight classifications.

15 4. Turbo-prop aircraft shall be taxed at six times the Schedule
16 "A" fee, based on the same weight classifications.

17 5. Turbo-jet aircraft shall be taxed at ten times the Schedule
18 "A" fee, based on the same weight classifications.

19 6. Antique aircraft as defined by the Federal Aviation
20 Administration, sailplanes, balloons, and home-built aircraft shall
21 be subject to a flat-rate fee of Ten Dollars (\$10.00).

22 7. The fees of this subsection, except those in paragraph 6 of
23 this subsection, shall be reduced at a rate of ten percent (10%)
24 each year following the date of manufacture until the fee is equal
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1 to fifty percent (50%) of the original fee, which shall then be the
2 fee for each year thereafter.

3 8. Every aircraft owner shall have the right to appeal the
4 assessment of the fee as provided for in this subsection, and ~~the~~
5 ~~Oklahoma Tax Commission~~ Service Oklahoma shall appraise the aircraft
6 and its avionics as personal property at the fair market value
7 thereof, and shall apply a twelve-percent assessment rate which
8 shall be levied at the appropriate county millage rate.

9 B. Aircraft purchased after January 1 of each year and subject
10 to registration as provided for in this section shall be registered
11 and taxed on a prorated basis. Registration fees and taxes shall be
12 in lieu of all aircraft ad valorem taxes. All such monies collected
13 shall be paid to ~~the Oklahoma Tax Commission~~ Service Oklahoma and
14 disbursed as follows:

15 1. Three percent (3%) of all such funds shall be paid to the
16 State Treasurer for deposit to the credit of the General Revenue
17 Fund of the State Treasury; and

18 2. Ninety-seven percent (97%) of said registration fees and
19 taxes shall be deposited in the Oklahoma Aeronautics Commission
20 Revolving Fund.

21 SECTION 6. AMENDATORY 3 O.S. 2021, Section 256.1, is
22 amended to read as follows:

23 Section 256.1. A. ~~The Oklahoma Tax Commission~~ Service Oklahoma
24 is hereby authorized to require the owner of each aircraft to pay a
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1 filing fee for the purpose of filing necessary liens with the
2 Federal Aviation Administration when any registration fees required
3 to be paid by said owner pursuant to the provisions of Section 256
4 of this title, or taxes levied pursuant to the provisions of Title
5 68 of the Oklahoma Statutes shall become delinquent. Said fee shall
6 not exceed the actual cost of filing said liens with the Federal
7 Aviation Administration and shall be collected in the same manner as
8 said liens are collected.

9 B. The Special Agency Account Board is hereby directed to
10 create an agency special account in which shall be deposited monies
11 from subsection A of Section 256 of this title for the purpose of
12 filing liens pursuant to subsection A of this section. All monies
13 accruing to the credit of said account may be budgeted and expended
14 by ~~the Oklahoma Tax Commission~~ Service Oklahoma for the purpose of
15 paying for filing all necessary liens with the Federal Aviation
16 Administration.

17 The amount of any balance of said agency special account in
18 excess of Four Thousand Dollars (\$4,000.00) at the close of each
19 fiscal year shall revert to the General Revenue Fund of this state
20 to be paid out pursuant to direct appropriation by the Legislature.

21 SECTION 7. AMENDATORY 3 O.S. 2021, Section 256.2, is
22 amended to read as follows:

23 Section 256.2. A. Each manufacturer of aircraft shall pay a
24 registration fee of Two Hundred Fifty Dollars (\$250.00) on each
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1 aircraft in the process of manufacture, whether or not on a factory
2 basis, including assembly and subassembly, and the personal property
3 used or consumed therein, which, when completed, shall be the
4 subject of a Federal Aviation Administration-approved type
5 certificate. Such fee shall be paid by the manufacturer to ~~the~~
6 ~~Oklahoma Tax Commission~~ Service Oklahoma. ~~The Tax Commission~~
7 Service Oklahoma shall remit such fee to the county treasurer of the
8 county in which the manufacturing facility is located to be
9 apportioned in the same manner that ad valorem taxes are
10 apportioned.

11 B. In calculating the number of aircraft in the process of
12 manufacture, "personal property used or consumed therein" shall
13 include personal property which:

14 1. Is or is to be used or consumed as part of an aircraft in
15 the process of manufacture; and

16 2. Is held by the manufacturer or by a supplier physically
17 located in this state who has entered into a contract with the
18 manufacturer for the provision of such personal property.

19 C. The manufacturer shall submit to ~~the Tax Commission~~ Service
20 Oklahoma and to the county assessor of the county in which the
21 manufacturing facility is located a report which provides
22 documentation of the personal property, the value thereof and the
23 Oklahoma supplier thereof which is or is to be used or consumed in
24 the process of manufacture for each aircraft registered pursuant to

1 the provisions of this section. Each such Oklahoma supplier shall
2 also submit to ~~the Tax Commission~~ Service Oklahoma and to the county
3 assessor of the county in which the supplier is located a report
4 which provides documentation of any personal property, the value
5 thereof and the manufacturer thereof which is used or consumed in
6 the process of manufacture for each aircraft registered pursuant to
7 the provisions of this section. Such reports shall contain any
8 further information which may be required by ~~the Tax Commission~~
9 Service Oklahoma or the county assessor to enforce the provisions of
10 this section and the Ad Valorem Tax Code, Section 2801 et seq. of
11 Title 68 of the Oklahoma Statutes.

12 D. Any manufacturer or supplier who willfully violates the
13 provisions of this section shall be guilty of a misdemeanor and
14 shall be punishable by a fine not exceeding Five Thousand Dollars
15 (\$5,000.00). In addition to such penalty a manufacturer or supplier
16 convicted of a violation of this section shall not be eligible to
17 pay the registration fee as provided by this section and shall be
18 subject to the provisions of the Ad Valorem Tax Code, Section 2801
19 et seq. of Title 68 of the Oklahoma Statutes.

20 SECTION 8. AMENDATORY 3 O.S. 2021, Section 257, is
21 amended to read as follows:

22 Section 257. Authority is hereby given to ~~the Oklahoma Tax~~
23 ~~Commission~~ Service Oklahoma and the Department of Public Safety to
24 promulgate rules and regulations for the purpose of regulating and

1 enforcing this act. Any administrative rules promulgated by the Tax
2 Commission related to the administration of the aircraft
3 registration provisions set forth in Section 251 et seq. of Title 3
4 of the Oklahoma Statutes after January 1, 2024, shall be transferred
5 to and become a part of the administrative rules of Service
6 Oklahoma. The Office of Administrative Rules within the Office of
7 the Secretary of State shall provide adequate notice in the Oklahoma
8 Register of the transfer of rules and shall place the transferred
9 rules under the Administrative Code section of Service Oklahoma.
10 From and after January 1, 2024, any amendment, repeal, or addition
11 to the transferred rules shall be under the jurisdiction of Service
12 Oklahoma. All documents issued by the sections transferred to
13 Service Oklahoma, including but not limited to registrations and
14 permits, shall be deemed to have been issued by Service Oklahoma.

15 SECTION 9. AMENDATORY 68 O.S. 2021, Section 6002, is
16 amended to read as follows:

17 Section 6002. Beginning on and after July 1, 1984, there shall
18 be levied an excise tax of three and one-fourth percent (3 1/4%) of
19 the purchase price of each aircraft that is to be registered with
20 the Federal Aviation Administration, upon the transfer of legal
21 ownership of any such aircraft or the use of any such aircraft
22 within this state. The excise tax levied pursuant to the provisions
23 of Sections 6001 through 6004 of this title is in lieu of all other
24 taxes on the transfer or the first registration in this state on

1 aircraft, including optional equipment and accessories attached
2 thereto at the time of sale and sold as a part thereof, except
3 annual aircraft registration fees. The tax hereby levied shall be
4 due at the time of the transfer of legal ownership or first
5 registration in this state, and shall be collected by ~~the Oklahoma~~
6 ~~Tax Commission~~ Service Oklahoma at the time of the issuance of a
7 certificate of registration for any such aircraft. The excise tax
8 levied pursuant to the provisions of this section shall be
9 delinquent from and after the twentieth day after the legal
10 ownership or possession of any aircraft is obtained. Any person
11 failing or refusing to pay the tax provided for in this section on
12 or before the date of delinquency shall pay, in addition to the tax,
13 a penalty of ten percent (10%) on the total amount of tax due.
14 Interest shall be collected on the total delinquent tax at the rate
15 of one and one-fourth percent (1 1/4%) per month from the date of
16 the delinquency until said tax is paid.

17 SECTION 10. AMENDATORY 68 O.S. 2021, Section 6003, is
18 amended to read as follows:

19 Section 6003. The following aircraft shall be exempt from
20 provisions of Section 6001 et seq. of this title:

21 1. Aircraft manufactured under an F.A.A. approved certificate
22 and which are owned and in the physical possession of the
23 manufacturer of the aircraft. The aircraft shall have an aircraft
24

1 exemption license as provided for in Section 254 of Title 3 of the
2 Oklahoma Statutes;

3 2. Aircraft owned by dealers and in the dealer's inventory, not
4 including aircraft that are used personally or for business. In
5 order for this exemption to apply, the dealer shall be licensed in
6 accordance with Section 254.1 of Title 3 of the Oklahoma Statutes;

7 3. Aircraft of the federal government, any agency thereof, any
8 territory or possession, any state government, agency, or political
9 subdivision thereof;

10 4. Aircraft transferred from one corporation or limited
11 liability company to another corporation or limited liability
12 company pursuant to reorganization of the corporation or limited
13 liability company. For the purpose of this section the term
14 reorganization means a statutory merger, consolidation, or
15 acquisition;

16 5. Aircraft purchased or used by commercial airlines as defined
17 by paragraph 2 of Section 6001 of this title, provided any such
18 aircraft does not operate under Part 91 of Title 14 of the Code of
19 Federal Regulations, 14 C.F.R., Part 91, for more than fifty percent
20 (50%) of its annual operations. If the operations of such aircraft
21 are not at least fifty percent (50%) Part 135 charter operations
22 annually, the excise tax levied pursuant to the provisions of
23 Section 6002 of this title shall be due and payable. An aircraft
24 owner shall provide a report to ~~the Oklahoma Tax Commission~~ Service

1 Oklahoma on an annual basis detailing the operations of the aircraft
2 and any supporting flight, maintenance or charter log books required
3 by ~~the Commission~~ Service Oklahoma. For the purpose of satisfying
4 this requirement, such operations may not include those chartered by
5 the aircraft owner as an individual or as a business entity in which
6 the aircraft owner owns a majority interest;

7 6. Aircraft transferred in connection with the dissolution or
8 liquidation of a corporation or limited liability company and only
9 if included in a payment in kind to the shareholders or members;

10 7. Aircraft transferred to a corporation for the purpose of
11 organizing such corporation. However, the former owners of the
12 aircraft must have control of the corporation in proportion to their
13 interest in the aircraft prior to the transfer;

14 8. Aircraft transferred to a partnership or limited liability
15 company when the organization of the partnership or limited
16 liability company is by the former owners of the aircraft. However,
17 the former owners of the aircraft must have control of the
18 partnership in proportion to their interest in the aircraft prior to
19 the transfer;

20 9. Aircraft transferred from a partnership or limited liability
21 company to the members of the partnership or limited liability
22 company and if made in payment in kind in the dissolution of the
23 partnership;

1 10. Aircraft transferred or conveyed to a partner of a
2 partnership or shareholder or member of a limited liability company
3 or other person who after such sale owns a joint interest in the
4 aircraft and on which the sales or use tax levied pursuant to the
5 provisions of this title or the excise tax levied pursuant to the
6 provisions of Section 6002 of this title have previously been paid
7 on the aircraft;

8 11. Aircraft on which a tax levied pursuant to the provisions
9 of the laws of another state, equal to or in excess of the excise
10 tax levied by Section 6002 of this title, has been paid by the
11 person using the aircraft in this state. Aircraft on which a tax
12 levied pursuant to the laws of another state, in an amount less than
13 the excise tax levied by Section 6002 of this title, has been paid
14 by the person using the aircraft in this state shall be subject to
15 the levy of the excise tax at a rate equal to the difference between
16 the rate of tax levied by Section 6002 of this title and the rate of
17 tax levied by the other state;

18 12. Aircraft when legal ownership of such aircraft is obtained
19 by the applicant for a certificate of title by inheritance;

20 13. Aircraft when legal ownership of such aircraft is obtained
21 by the lienholder or mortgagee under or by foreclosure of a lien or
22 mortgage in the manner provided for by law;

23 14. Aircraft which is transferred between husband and wife or
24 parent and child where no valuable consideration is given;

1 15. Aircraft which is purchased by a resident of this state and
2 used exclusively in this state for agricultural spraying purposes;
3 provided, if such aircraft is sold, leased or used outside this
4 state or for a purpose other than agricultural spraying at any time
5 within three (3) years from the date of purchase, the excise tax
6 levied pursuant to the provisions of Section 6002 of this title
7 shall be due and payable. For purposes of this subsection,
8 "agricultural spraying" means the aerial application of any
9 substance sold and used for soil enrichment or soil corrective
10 purposes or for promoting the growth and productivity of plants and
11 animals;

12 16. Aircraft which have a selling price in excess of Two
13 Million Five Hundred Thousand Dollars (\$2,500,000.00) and which are
14 transferred to a purchaser who is not a resident of this state for
15 immediate transfer out of state;

16 17. Aircraft which is transferred without consideration between
17 an individual and an express trust which that individual or the
18 spouse, child or parent of that individual has a right to revoke;
19 and

20 18. Rotary-wing aircraft purchased to be used exclusively for
21 the purpose of training U.S. military personnel or other training
22 authorized by the U.S. Government. The exemption provided by this
23 paragraph shall cease to be effective on January 1, 2018.

1 SECTION 11. AMENDATORY 68 O.S. 2021, Section 6004, as
2 amended by Section 1, Chapter 169, O.S.L. 2022 (68 O.S. Supp. 2022,
3 Section 6004), is amended to read as follows:

4 Section 6004. ~~The Tax Commission~~ Service Oklahoma shall require
5 every person licensed as a dealer in aircraft pursuant to the
6 provisions of Sections 251 through 257 of Title 3 of the Oklahoma
7 Statutes to make a report to ~~the Tax Commission~~ Service Oklahoma
8 within a period of thirty (30) days after the transfer by such
9 person of the legal ownership of any aircraft. The report shall be
10 made on a form prescribed and furnished by ~~the Tax Commission~~
11 Service Oklahoma, showing the name and address of the purchaser, a
12 description of the aircraft including the name of the manufacturer,
13 the Federal Aviation Administration registration number of the
14 aircraft, the type and year manufactured, the serial number, the
15 date of the transfer, whether the aircraft is exempt from the
16 aircraft excise tax pursuant to Section 6003 of this title, and the
17 amount of the sale price. ~~The Tax Commission~~ Service Oklahoma may
18 cancel or suspend the license of any person licensed as a dealer in
19 aircraft pursuant to the provisions of Sections 251 through 257 of
20 Title 3 of the Oklahoma Statutes who shall fail or refuse to comply
21 with the provisions of Sections 6001 through 6007 of this title.

22 SECTION 12. AMENDATORY 68 O.S. 2021, Section 6006, is
23 amended to read as follows:
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1 Section 6006. A. If the owner of an aircraft subject to the
2 tax levied pursuant to the provisions of this act fails or refuses
3 to pay said tax after proper demand thereof by an officer or agent
4 of ~~the Tax Commission~~ Service Oklahoma, such officer or agent shall
5 report said failure to ~~the Tax Commission~~ Service Oklahoma, and
6 shall seize and hold the aircraft in the same manner as provided for
7 in Section 116.14 of Title 47 of the Oklahoma Statutes for the
8 seizure of motor vehicles.

9 B. ~~The Tax Commission~~ Service Oklahoma, upon demand of the
10 owner of said aircraft, shall accord a hearing to said owner as
11 provided for by law and enter its findings and order accordingly.
12 If it shall be determined by ~~the Tax Commission~~ Service Oklahoma
13 that said tax is due and payable, then it shall issue its warrant
14 directly to the sheriff of the county in which the aircraft is
15 located, and direct the sale of such aircraft according to the same
16 procedures provided for in Section 116.14 of Title 47 of the
17 Oklahoma Statutes for the sale of vehicles for failure to pay the
18 annual license fee. Such seizure and sale of such aircraft may
19 include both the registration fee due and the excise tax levied
20 pursuant to the provisions of this act, together with all costs of
21 advertisement and sale. The sale shall be conducted in the same
22 manner as provided for by law for the sale of personal property
23 under execution.

1 SECTION 13. AMENDATORY 68 O.S. 2021, Section 6007, is
2 amended to read as follows:

3 Section 6007. Authority is hereby given to ~~the Oklahoma Tax~~
4 ~~Commission~~ Service Oklahoma to promulgate all necessary rules and
5 regulations for the purpose of implementing and enforcing the
6 provisions of ~~Sections 2 through 6 of this act~~ Sections 6001 through
7 6005 of this title.

8 SECTION 14. This act shall become effective January 1, 2024.

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10 59-1-257 QD 1/17/2023 7:14:21 PM

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