

1 (2ND EXTRAORDINARY SESSION)
2 ENGROSSED HOUSE
3 BILL NO. 1033

By: Wallace and Casey of the
House

and

David and Fields of the
Senate

8 An Act relating to revenue and taxation; stating
9 purpose pursuant to the authority provided in Section
10 57 of Article V of the Oklahoma Constitution;
11 imposing additional tax levy upon cigarettes;
12 specifying amount of additional levy; providing for
13 apportionment of revenues; exempting levy from
14 inclusion in determination of certain amounts;
15 requiring certain collections and administration of
16 levy; prohibiting sale of cigarette excise tax stamps
17 to wholesalers in excess of certain amount; providing
18 exception; creating the State Health Care Enhancement
19 Fund; exempting fund from fiscal year limitations;
20 identifying funding source; authorizing
21 appropriations from fund for certain purpose;
22 amending 68 O.S. 2011, Sections 402, 402-1 and 402-3,
23 which relate to tax levies on tobacco products;
24 providing that little cigars be taxed in the same
rate and manner as cigarettes; clarifying language;
imposing additional tax levy upon chewing tobacco;
specifying amount of additional levy; providing for
apportionment of revenues; prohibiting certain acts;
declaring levy as a tax on the consumer; imposing tax
on gasoline and diesel fuel; establishing amount of
tax on a per-gallon basis; requiring deposit of
certain revenue, penalties and interest in certain
fund; amending 68 O.S. 2011, Section 500.10, which
relates to exemption from motor fuels tax; extending
exemptions to additional tax levy; amending 68 O.S.
2011, Section 1001, as last amended by Section 1,
Chapter 5, 1st Extraordinary Session, O.S.L. 2017 (68
O.S. Supp. 2017, Section 1001), which relates to
gross production tax; limiting period where certain
rate is applicable; implementing rate applicable to

1 initial production for certain period; modifying rate
2 treatment of production enhancement projects after
3 certain date; making treatment applicable to
4 production within a certain period; modifying
5 definitions of certain terms; eliminating certain
6 definition; eliminating references to certain
7 subsection; modifying application of certain
8 provisions related to claims for and payments of tax
9 refunds; modifying process related to qualification
10 and administration of certain exemptions and reduced
11 rates; amending 68 O.S. 2011, Section 1004, as last
12 amended by Section 2, Chapter 355, O.S.L. 2017 (68
13 O.S. Supp. 2017, Section 1004), which relates to
14 apportionment of gross production taxes; providing
15 certain collections be apportioned in certain manner;
16 enacting the Oklahoma Zero-Emission Facility Energy
17 Tax Act of 2018; stating purpose of tax pursuant to
18 Section 19 of Article X of the Oklahoma Constitution;
19 defining terms; imposing levy of tax on certain
20 electrical power production; providing levy in
21 addition to and not in lieu of certain other taxes;
22 providing exemption from tax for certain wind
23 turbines; requiring remittance of tax; specifying
24 persons or entities required to remit; providing for
monthly remittance; providing for penalty; providing
for imposition of interest; providing for
apportionment of revenue to the General Revenue Fund;
repealing 68 O.S. 2011, Section 402-2, which relates
to additional tax on tobacco products; ordering a
legislative referendum pursuant to the Oklahoma
Constitution; providing for codification; and
providing for noncodification.

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

20 SECTION 1. NEW LAW A new section of law not to be
21 codified in the Oklahoma Statutes reads as follows:

22 The provisions of this measure are enacted pursuant to the
23 authority provided in Section 57 of Article V of the Oklahoma
24 Constitution for a general revenue bill.

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 302-7 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

4 A. For the purpose of providing revenue for the support of the
5 functions of state government, in addition to the tax levied in
6 Sections 302, 302-1, 302-2, 302-3, 302-4 and 302-5 of Title 68 of
7 the Oklahoma Statutes, there is hereby levied upon the sale, use,
8 gift, possession or consumption of cigarettes, as defined in
9 Sections 301 through 325 of Title 68 of the Oklahoma Statutes,
10 within this state, a tax at the rate of seventy-five (75) mills per
11 cigarette.

12 B. 1. Except as provided in paragraph 2 of this subsection,
13 the revenue resulting from the additional tax levied in subsection A
14 of this section shall be apportioned as provided in paragraph 3 of
15 this subsection.

16 2. The net amount of any revenue resulting from a payment in
17 lieu of excise taxes on cigarettes levied by this section, which net
18 amount shall be calculated after deductions for rebates owed
19 pursuant to a compact with a federally recognized Indian tribe or
20 nation, shall be apportioned as provided in paragraph 3 of this
21 subsection.

22 3. a. Prior to July 1, 2019, the resulting revenues as
23 described by paragraphs 1 and 2 of this subsection
24 shall be apportioned by the Oklahoma Tax Commission

1 and transmitted to the State Treasurer who shall
2 deposit such revenue in the General Revenue Fund.

3 b. Beginning July 1, 2019, the resulting revenues as
4 described by paragraphs 1 and 2 of this subsection
5 shall be apportioned by the Oklahoma Tax Commission
6 and transmitted to the State Treasurer, who shall
7 deposit such revenue to the credit of the State Health
8 Care Enhancement Fund, created in Section 4 of this
9 act.

10 C. No part of the revenues resulting from the additional taxes
11 levied in this section shall be used in determining the amount of
12 cigarette tax collections to be paid into:

13 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund
14 pursuant to the provisions of Sections 57.31 through 57.43 of Title
15 62 of the Oklahoma Statutes;

16 2. The State of Oklahoma Institutional Building Bonds of 1965
17 Sinking Fund pursuant to the provisions of Sections 57.61 through
18 57.73 of Title 62 of the Oklahoma Statutes;

19 3. The State of Oklahoma Institutional Building Bonds of 1965
20 Sinking Fund Series C and Series D pursuant to the provisions of
21 Sections 57.81 through 57.112 of Title 62 of the Oklahoma Statutes;

22 4. The State of Oklahoma Building Bonds of 1968 Sinking Fund
23 pursuant to the provisions of Sections 57.121 through 57.193 of
24 Title 62 of the Oklahoma Statutes; or

1 5. The Oklahoma Building Bonds of 1992 Sinking Fund pursuant to
2 the provisions of Sections 57.300 through 57.313 of Title 62 of the
3 Oklahoma Statutes.

4 D. The cigarette taxes levied in this section shall be
5 collected and administered as provided by law for other cigarette
6 taxes now levied, collected and administered pursuant to the
7 provisions of Sections 301 through 325 of Title 68 of the Oklahoma
8 Statutes.

9 SECTION 3. NEW LAW A new section of law not to be
10 codified in the Oklahoma Statutes reads as follows:

11 The Oklahoma Tax Commission shall not sell cigarette excise tax
12 stamps to any wholesaler in excess of the amount of the monthly
13 average amount of such excise tax stamps sold to such wholesaler
14 during the preceding calendar year prior to the effective date of
15 Sections 2 and 3 of this act. Provided, the wholesaler may purchase
16 in excess of the monthly average purchased during the preceding
17 calendar year upon documentation, to the Tax Commission's
18 satisfaction, of probable sales greater than the wholesaler's sales
19 in the preceding calendar year.

20 SECTION 4. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 302-7a of Title 68, unless there
22 is created a duplication in numbering, reads as follows:

23 There is hereby created in the State Treasury a fund to be
24 designated the "State Health Care Enhancement Fund". The fund shall

1 be a continuing fund, not subject to fiscal year limitations, and
2 shall consist of monies received pursuant to Sections 2 and 8 of
3 this act and any monies designated to the fund by law. All monies
4 accruing to the credit of the fund shall be appropriated at the
5 discretion of the Legislature for the purpose of enhancing the
6 health of Oklahomans.

7 SECTION 5. AMENDATORY 68 O.S. 2011, Section 402, is
8 amended to read as follows:

9 Section 402. There shall be levied, assessed, collected, and
10 paid in respect to the articles containing tobacco enumerated in
11 Section 401 et seq. of this title, a tax in the following amounts:

12 1. Little Cigars. Upon cigars of all descriptions made of
13 tobacco, or any substitute therefor, and weighing not more than
14 three (3) pounds per thousand, ~~four (4) mills for each cigar.~~
15 ~~Provided, that~~ the tax levied on the products coming under this
16 paragraph shall ~~not apply if~~ be equal to the tax on such products
17 that is reported and paid as cigarette tax under Sections 301
18 through 325 of this title. Further, the tax levied herein shall be
19 paid in the same manner as required in Sections 301 through 325 of
20 this title;

21 2. Cigars. Upon cigars of all descriptions made of tobacco, or
22 any substitute therefor, weighing more than three (3) pounds per
23 thousand and having a manufacturer's recommended retail selling
24

1 price, under the Federal Code, of not exceeding four cents (\$0.04)
2 per cigar, one cent (\$0.01) for each cigar;

3 3. Cigars. Upon all other cigars of all descriptions made of
4 tobacco, or any substitute therefor, and weighing more than three
5 (3) pounds per thousand, Twenty Dollars (\$20.00) per thousand. For
6 the purpose of computing the tax, cheroots, stogies, etc., are
7 hereby classed as cigars;

8 4. Smoking Tobacco. Upon all smoking tobacco including
9 granulated, plug cut, crimp cut, ready rubbed and other kinds and
10 forms of tobacco prepared in such manner as to be suitable for
11 smoking in a pipe or cigarette, the tax shall be twenty-five percent
12 (25%) of the factory list price exclusive of any trade discount,
13 special discount or deals; and

14 5. Chewing Tobacco. Upon chewing tobacco, smokeless tobacco,
15 and snuff, the tax shall be twenty percent (20%) of the factory list
16 price exclusive of any trade discount, special discount or deals.

17 It shall not be permissible for a retailer to advertise that the
18 retailer will absorb the tax due on the taxable merchandise
19 described herein. Such tax shall be paid by the consumer.

20 Notwithstanding any other provision of law, the tax levied pursuant
21 to the provisions of Section 401 et seq. of this title shall be part
22 of the gross proceeds or gross receipts from the sale of cigars or
23 tobacco products, or both, as those terms are defined in paragraph 7
24 12 of Section 1352 of this title.

1 SECTION 6. AMENDATORY 68 O.S. 2011, Section 402-1, is
2 amended to read as follows:

3 Section 402-1. In addition to the tax levied by Section 402 of
4 this title, there is hereby levied upon the sale, use, exchange or
5 possession of articles containing tobacco as defined in said Section
6 402, a tax in the following amounts:

7 ~~(a) Upon little cigars of all descriptions made of tobacco, or~~
8 ~~any substitute therefor, and weighing not more than three (3) pounds~~
9 ~~per thousand, two and one half (2 1/2) mills for each cigar.~~
10 ~~Provided, that the tax levied on the products coming under this~~
11 ~~paragraph shall not apply if the tax on such products is reported~~
12 ~~and paid as cigarette tax under Sections 301 through 325 of this~~
13 ~~title.~~

14 ~~(b)~~ Upon cigars of all descriptions made of tobacco, or any
15 substitute therefor, and weighing more than three (3) pounds per
16 thousand, and having a manufacturer's recommended retail selling
17 price, under the Federal Code, of more than four cents (\$0.04) for
18 each cigar, Ten Dollars (\$10.00) per thousand. For the purpose of
19 computing the tax, cheroots, stogies, etc., are hereby classed as
20 cigars.;

21 ~~(e)~~ (b) Upon all smoking tobacco including granulated, plug cut,
22 crimp cut, ready rubbed and other kinds and forms of tobacco
23 prepared in such manner as to be suitable for smoking in a pipe or
24 cigarette, the tax shall be fifteen percent (15%) of the factory

1 list price exclusive of any trade discount, special discount or
2 deals; and

3 ~~(d)~~ (c) Upon chewing tobacco, smokeless tobacco, and snuff, the
4 tax shall be ten percent (10%) of the factory list price exclusive
5 of any trade discount, special discount or deals.

6 This tax shall be paid by the consumer and no retailer may
7 advertise that he will pay or absorb this tax.

8 ~~(e)~~ The tax herein levied on tobacco products shall be evidenced
9 by stamps and collected on the same basis and in the same manner and
10 in all respects as the tax levied by the Tobacco Products Tax Law.
11 The revenue from this additional tax shall be apportioned by the
12 Oklahoma Tax Commission in the same manner as provided in Section
13 404 of this title, for the apportionment of other tobacco products
14 tax revenue.

15 SECTION 7. AMENDATORY 68 O.S. 2011, Section 402-3, is
16 amended to read as follows:

17 Section 402-3. A. In addition to the tax levied in Sections
18 ~~402, and 402-1 and 402-2~~ and 402-1 of this title, effective January 1, 2005,
19 there shall be levied, assessed, collected, and paid in respect to
20 the articles containing tobacco enumerated in Section 401 et seq. of
21 this title, a tax in the following amounts:

22 1. ~~Little Cigars. Upon cigars of all descriptions made of~~
23 ~~tobacco, or any substitute therefor, and weighing not more than~~
24 ~~three (3) pounds per thousand, twenty-seven (27) mills for each~~

1 ~~cigar. Provided, that the tax levied on the products coming under~~
2 ~~this paragraph shall not apply if the tax on such products is~~
3 ~~reported and paid as cigarette tax under Sections 301 through 325 of~~
4 ~~this title;~~

5 2. Cigars. Upon all ~~other~~ cigars of all descriptions made of
6 tobacco, or any substitute therefor, and weighing more than three
7 (3) pounds per thousand, Ninety Dollars (\$90.00) per thousand. For
8 the purpose of computing the tax, cheroots, stogies, etc., are
9 hereby classed as cigars;

10 ~~3.~~ 2. Smoking Tobacco. Upon all smoking tobacco including
11 granulated, plug cut, crimp cut, ready rubbed and other kinds and
12 forms of tobacco prepared in such manner as to be suitable for
13 smoking in a pipe or cigarette, the tax shall be forty percent (40%)
14 of the factory list price exclusive of any trade discount, special
15 discount or deals; and

16 ~~4.~~ 3. Chewing Tobacco. Upon chewing tobacco, smokeless
17 tobacco, and snuff, the tax shall be thirty percent (30%) of the
18 factory list price exclusive of any trade discount, special discount
19 or deals.

20 B. Except as provided in subsection C of this section, the
21 revenue resulting from the additional tax levied in subsection A of
22 this section shall be apportioned by the Oklahoma Tax Commission and
23 transmitted to the State Treasurer as follows:

24

1 1. Twenty-two and six-hundredths percent (22.06%) shall be
2 placed to the credit of the Health Employee and Economy Improvement
3 Act Revolving Fund created in Section 1010.1 of Title 56 of the
4 Oklahoma Statutes;

5 2. Three and nine-hundredths percent (3.09%) shall be placed to
6 the credit of the Comprehensive Cancer Center Debt Service Revolving
7 Fund created in Section 160.1 of Title 62 of the Oklahoma Statutes;

8 3. Before July 1, 2008, seven and fifty-hundredths percent
9 (7.50%) shall be placed to the credit of the Trauma Care Assistance
10 Revolving Fund created in Section ~~1-2522~~ 1-2530.9 of Title 63 of the
11 Oklahoma Statutes. On and after July 1, 2008, seven and fifty-
12 hundredths percent (7.50%) shall be allocated as follows:

13 a. every month, an amount equal to the actual amount
14 placed to the credit of the Trauma Care Assistance
15 Revolving Fund pursuant to this paragraph for the same
16 month of the 2008 fiscal year shall be credited to the
17 Trauma Care Assistance Revolving Fund,

18 b. every month, any amount over and above the amount
19 placed to the credit of the Trauma Care Assistance
20 Revolving Fund pursuant to subparagraph a of this
21 paragraph shall be credited to the Oklahoma Emergency
22 Response Systems Stabilization and Improvement
23 Revolving Fund as created in Section ~~§~~ 1-2512.1 of
24 ~~this act~~ Title 63 of the Oklahoma Statutes until the

1 combined amount credited to the Oklahoma Emergency
2 Response Systems Stabilization and Improvement
3 Revolving Fund pursuant to this section and Section
4 302-5 of this title is equal to Two Million Five
5 Hundred Thousand Dollars (\$2,500,000.00) each year,
6 and

7 c. any additional revenue allocated pursuant to this
8 paragraph shall be placed to the credit of the Trauma
9 Care Assistance Revolving Fund;

10 4. Three and nine-hundredths percent (3.09%) shall be placed to
11 the credit of the Oklahoma State University College of Osteopathic
12 Medicine Revolving Fund created in Section 160.2 of Title 62 of the
13 Oklahoma Statutes;

14 5. Twenty-six and thirty-eight-hundredths percent (26.38%)
15 shall be placed to the credit of the Oklahoma Health Care Authority
16 Medicaid Program Fund created in Section 5020 of Title 63 of the
17 Oklahoma Statutes for the purposes of maintaining programs and
18 services funded under the federal "Jobs and Growth Tax Relief
19 Reconciliation Act of 2003", reimbursing city/county-owned
20 hospitals, increasing emergency room physician rates, and providing
21 TEFRA 134, also known as "Katie Beckett" services;

22 6. Two and sixty-five-hundredths percent (2.65%) shall be
23 placed to the credit of the Department of Mental Health and
24

1 Substance Abuse Services Revolving Fund created in Section 2-303 of
2 Title 43A of the Oklahoma Statutes;

3 7. Forty-four-hundredths of one percent (0.44%) shall be placed
4 to the credit of the Belle Maxine Hilliard Breast and Cervical
5 Cancer Treatment Revolving Fund created in Section 1-559 of Title 63
6 of the Oklahoma Statutes;

7 8. One percent (1%) shall be placed to the credit of the
8 Teachers' Retirement System Revolving Fund created in Section 158 of
9 Title 62 of the Oklahoma Statutes;

10 9. Two and seven-hundredths percent (2.07%) shall be placed to
11 the credit of the Education Reform Revolving Fund created in Section
12 ~~41.29b~~ 34.89 of Title 62 of the Oklahoma Statutes;

13 10. Sixty-six-hundredths percent (0.66%) shall be placed to the
14 credit of the Tobacco Prevention and Cessation Revolving Fund
15 created in Section 1-105d of Title 63 of the Oklahoma Statutes;

16 11. Sixteen and eighty-three-hundredths percent (16.83%) shall
17 be placed to the credit of the General Revenue Fund; and

18 12. For fiscal years beginning July 1, 2004, and ending June
19 30, 2006, fourteen and twenty-three-hundredths percent (14.23%)
20 shall be apportioned to municipalities and counties that levy a
21 sales tax, in the proportions which total municipal and county sales
22 tax revenue was apportioned by the Tax Commission in the preceding
23 month.

24

1 For fiscal years beginning July 1, 2006, and thereafter, the
2 apportionment percentage specified in paragraph 12 of this
3 subsection will be adjusted by dividing the total municipal and
4 county sales tax revenue collected in the calendar year immediately
5 preceding the commencement of the fiscal year by the sum of the
6 state sales tax revenue and total municipal and county sales tax
7 revenue collected in the same year. This ratio shall be divided by
8 the ratio of the total municipal and county sales tax revenue
9 collected in the calendar year beginning January 1, 2004, and ending
10 December 31, 2004, divided by the sum of the state sales tax revenue
11 and total municipal and county sales tax revenue collected in the
12 same year. The resulting quotient shall be multiplied by fourteen
13 and twenty-three-hundredths percent (14.23%) to determine the
14 apportionment percentage for the fiscal year.

15 For fiscal years beginning July 1, 2006, and thereafter, any
16 adjustment to the percentage of revenues apportioned to
17 municipalities and counties shall be reflected in the percent of
18 revenues apportioned to the General Revenue Fund.

19 C. The net amount of any revenue resulting from a payment in
20 lieu of excise taxes on little cigars, cigars, smoking tobacco and
21 chewing tobacco levied by this section, pursuant to a compact with a
22 federally recognized Indian tribe or nation after deductions for
23 deposits into trust accounts pursuant to such compacts, shall be
24

1 apporportioned by the Tax Commission and transmitted to the State
2 Treasurer as follows:

3 1. Thirty-three and forty-nine-hundredths percent (33.49%)
4 shall be placed to the credit of the Health Employee and Economy
5 Improvement Act Revolving Fund created in Section 1010.1 of Title 56
6 of the Oklahoma Statutes;

7 2. Four and sixty-nine-hundredths percent (4.69%) shall be
8 placed to the credit of the Comprehensive Cancer Center Debt Service
9 Revolving Fund created in Section 160.1 of Title 62 of the Oklahoma
10 Statutes;

11 3. Before July 1, 2008, eleven and thirty-nine-hundredths
12 percent (11.39%) shall be placed to the credit of the Trauma Care
13 Assistance Revolving Fund created in Section ~~1-2522~~ 1-2530.9 of
14 Title 63 of the Oklahoma Statutes. On and after July 1, 2008,
15 eleven and thirty-nine-hundredths percent (11.39%) shall be
16 allocated as follows:

17 a. every month, an amount equal to the actual amount
18 placed to the credit of the Trauma Care Assistance
19 Revolving Fund pursuant to this paragraph for the same
20 month of the 2008 fiscal year shall be credited to the
21 Trauma Care Assistance Revolving Fund,

22 b. every month, any amount over and above the amount
23 placed to the credit of the Trauma Care Assistance
24 Revolving Fund pursuant to subparagraph a of this

1 paragraph shall be credited to the Oklahoma Emergency
2 Response Systems Stabilization and Improvement
3 Revolving Fund as created in Section & 1-2512.1 of
4 ~~this act~~ Title 63 of the Oklahoma Statutes until the
5 combined amount credited to the Oklahoma Emergency
6 Response Systems Stabilization and Improvement
7 Revolving Fund pursuant to this section and Section
8 302-5 of this title is equal to Two Million Five
9 Hundred Thousand Dollars (\$2,500,000.00) each year,
10 and

11 c. any additional revenue allocated pursuant to this
12 paragraph shall be placed to the credit of the Trauma
13 Care Assistance Revolving Fund;

14 4. Four and sixty-nine-hundredths percent (4.69%) shall be
15 placed to the credit of the Oklahoma State University College of
16 Osteopathic Medicine Revolving Fund created in Section 160.2 of
17 Title 62 of the Oklahoma Statutes;

18 5. Forty and six-hundredths percent (40.06%) shall be placed to
19 the credit of the Oklahoma Health Care Authority Medicaid Program
20 Fund created in Section 5020 of Title 63 of the Oklahoma Statutes
21 for the purposes of maintaining programs and services funded under
22 the federal "Jobs and Growth Tax Relief Reconciliation Act of 2003",
23 reimbursing city/county-owned hospitals, increasing emergency room
24

1 physician rates, and providing TEFRA 134, also known as "Katie
2 Beckett" services;

3 6. Four and one-hundredths percent (4.01%) shall be placed to
4 the credit of the Department of Mental Health and Substance Abuse
5 Services Revolving Fund created in Section 2-303 of Title 43A of the
6 Oklahoma Statutes;

7 7. Sixty-seven-hundredths percent (0.67%) shall be placed to
8 the credit of the Belle Maxine Hilliard Breast and Cervical Cancer
9 Treatment Revolving Fund created in Section 1-559 of Title 63 of the
10 Oklahoma Statutes; and

11 8. One percent (1%) shall be placed to the credit of the
12 Tobacco Prevention and Cessation Revolving Fund created in Section
13 1-105d of Title 63 of the Oklahoma Statutes.

14 D. It shall not be permissible for a retailer to advertise that
15 the retailer will absorb the tax due on the taxable merchandise
16 described herein. Such tax shall be paid by the consumer.

17 SECTION 8. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 402-4 of Title 68, unless there
19 is created a duplication in numbering, reads as follows:

20 A. For the purpose of providing revenue for the support of the
21 functions of state government, in addition to the tax levied in
22 Sections 402, 402-1 and 402-3 of Title 68 of the Oklahoma Statutes,
23 there shall be levied, assessed, collected and paid in respect to
24

1 the articles containing tobacco enumerated in Section 401 et seq. of
2 Title 68 of the Oklahoma Statutes, a tax in the following amounts:

3 Chewing Tobacco. Upon chewing tobacco, smokeless tobacco and
4 snuff, the tax shall be ten percent (10%) of the factory list price
5 exclusive of any trade discount, special discount or deals.

6 B. 1. Except as provided in paragraph 2 of this subsection,
7 the revenue resulting from the additional tax levied in subsection A
8 of this section shall be apportioned as provided in paragraph 3 of
9 this subsection.

10 2. The net amount of any revenue resulting from a payment in
11 lieu of excise taxes on chewing tobacco levied by this section,
12 which net amount shall be calculated after deductions for rebates
13 owed pursuant to a compact with a federally recognized Indian tribe
14 or nation, shall be apportioned as provided in paragraph 3 of this
15 subsection.

16 3. a. Prior to July 1, 2019, the resulting revenues as
17 described by paragraphs 1 and 2 of this subsection
18 shall be apportioned by the Oklahoma Tax Commission
19 and transmitted to the State Treasurer who shall
20 deposit such revenue in the General Revenue Fund.

21 b. Beginning July 1, 2019, the resulting revenues as
22 described by paragraphs 1 and 2 of this subsection
23 shall be apportioned by the Oklahoma Tax Commission
24 and transmitted to the State Treasurer, who shall

1 deposit such revenue to the credit of the State Health
2 Care Enhancement Fund created in Section 4 of this
3 act.

4 C. No retailer shall advertise that the retailer will absorb
5 the tax due on the taxable merchandise described in this section.
6 Such tax shall be paid by the consumer.

7 SECTION 9. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 500.4B of Title 68, unless there
9 is created a duplication in numbering, reads as follows:

10 A. For the purpose of providing revenue for the support of the
11 functions of state government, in addition to the tax imposed by
12 Section 500.4 of Title 68 of the Oklahoma Statutes, there is hereby
13 imposed a tax of six cents (\$0.06) per gallon on all:

- 14 1. Gasoline used or consumed in this state; and
- 15 2. Diesel fuel used or consumed in this state.

16 B. All remaining revenue from the tax imposed by subsection A
17 of this section and penalties and interest thereon collected by the
18 Oklahoma Tax Commission, after the requirements of Section 500.63 of
19 Title 68 of the Oklahoma Statutes have been fulfilled, shall be
20 deposited as follows:

- 21 1. Prior to July 1, 2019, the remaining revenue shall be
22 apportioned by the Oklahoma Tax Commission and transmitted to the
23 State Treasurer who shall deposit such revenue in the General
24 Revenue Fund; and

1 2. Beginning July 1, 2019, the remaining revenue shall be
2 apportioned by the Oklahoma Tax Commission and transmitted to the
3 State Treasurer who shall deposit such revenue in the Rebuilding
4 Oklahoma Access and Driver Safety Fund created in Section 1521 of
5 Title 69 of the Oklahoma Statutes.

6 SECTION 10. AMENDATORY 68 O.S. 2011, Section 500.10, is
7 amended to read as follows:

8 Section 500.10 Subject to the procedural requirements and
9 conditions set out in this section and Sections 500.11 through
10 500.17 of this title, the following are exempt from the ~~tax~~ taxes on
11 motor fuel imposed by Section 500.4 of this title ~~on motor fuel and~~
12 Section 9 of this act:

13 1. Motor fuel for which proof of export is available in the
14 form of a terminal-issued destination state shipping paper:

- 15 a. exported by a supplier who is licensed in the
- 16 destination state, or
- 17 b. sold by a supplier to a licensed exporter for
- 18 immediate export;

19 2. Motor fuel which was acquired by an unlicensed exporter and
20 as to which the tax imposed by Section 500.4 of this title has
21 previously been paid or accrued and was subsequently exported by
22 transport truck by or on behalf of the licensed exporter in a
23 diversion across state boundaries properly reported in conformity
24 with Section 500.46 of this title;

1 3. Motor fuel exported out of a bulk plant in this state in a
2 tank wagon if the destination of that vehicle does not exceed
3 twenty-five (25) miles from the border of this state and as to which
4 the tax imposed by Section 500.4 of this title has previously been
5 paid or accrued, subject to gallonage limits and other conditions
6 established by the Oklahoma Tax Commission;

7 4. K-1 kerosene sold at retail through dispensers which have
8 been designed and constructed to prevent delivery directly from the
9 dispenser into a vehicle fuel supply tank, and K-1 kerosene sold at
10 retail through nonbarricaded dispensers in quantities of not more
11 than twenty-one (21) gallons for use other than for highway
12 purposes, under such rules as the Tax Commission shall reasonably
13 require;

14 5. Motor fuel sold to the United States or any agency or
15 instrumentality thereof;

16 6. Motor fuel used solely and exclusively in district-owned
17 public school vehicles or FFA and 4-H Club trucks for the purpose of
18 legally transporting public school children, and motor fuel
19 purchased by any school district for use exclusively in school buses
20 leased or hired for the purpose of legally transporting public
21 school children, or in the operation of vehicles used in driver
22 training;

23 7. Motor fuel used solely and exclusively as fuel to propel
24 motor vehicles on the public roads and highways of this state, when

1 leased or owned and being operated for the sole benefit of a county,
2 city, town, a volunteer fire department with a state certification
3 and rating, rural electric cooperatives, rural water and sewer
4 districts, rural irrigation districts organized under the Oklahoma
5 Irrigation District Act, conservancy districts and master
6 conservancy districts organized under the Conservancy Act of
7 Oklahoma, rural ambulance service districts, or federally recognized
8 Indian tribes;

9 8. Motor fuel used as fuel for farm tractors or stationary
10 engines owned or leased and operated by any person and used
11 exclusively for agricultural purposes, except as to two and eight
12 one-hundredths cents (\$0.0208) per gallon of gasoline as provided in
13 subsection C of Section 500.4 of this title;

14 9. Gasoline, diesel fuel and kerosene sold for use as fuel to
15 generate power in aircraft engines, whether in aircraft or for
16 training, testing or research purposes of aircraft engines, except
17 as to eight one-hundredths of one cent (\$0.0008) per gallon as
18 provided in subsection B of Section 500.4 of this title;

19 10. Motor fuel sold within an Indian reservation or within
20 Indian country by a federally recognized Indian tribe to a member of
21 that tribe and used in motor vehicles owned by that member of the
22 tribe. This exemption does not apply to sales within an Indian
23 reservation or within Indian country by a federally recognized
24

1 Indian tribe to non-Indian consumers or to Indian consumers who are
2 not members of the tribe selling the motor fuel;

3 11. Subject to determination by the Tax Commission, that
4 portion of diesel fuel:

5 a. used to operate equipment attached to a motor vehicle,
6 if the diesel fuel was placed into the fuel supply
7 tank of a motor vehicle that has a common fuel
8 reservoir for travel on a highway and for the
9 operation of equipment, or

10 b. consumed by the vehicle while the vehicle is parked
11 off the highways of this state;

12 12. Motor fuel acquired by a consumer out of state and carried
13 into this state, retained within and consumed from the same vehicle
14 fuel supply tank within which it was imported;

15 13. Diesel fuel used as heating oil, or in railroad locomotives
16 or any other motorized flanged-wheel rail equipment, or used for
17 other nonhighway purposes other than as expressly exempted under
18 another provision;

19 14. Motor fuel which was lost or destroyed as a direct result
20 of a sudden and unexpected casualty;

21 15. Taxable diesel which had been accidentally contaminated by
22 dye so as to be unsaleable as highway fuel as proved by proper
23 documentation;

24 16. Dyed diesel fuel;

1 17. Motor fuel sold to the Oklahoma Space Industry Development
2 Authority or any spaceport user as defined in the Oklahoma Space
3 Industry Development Act; and

4 18. Biofuels or biodiesel produced by an individual with crops
5 grown on property owned by the same individual and used in a vehicle
6 owned by the same individual on the public roads and highways of
7 this state.

8 SECTION 11. AMENDATORY 68 O.S. 2011, Section 1001, as
9 last amended by Section 1, Chapter 5, 1st Extraordinary Session,
10 O.S.L. 2017 (68 O.S. Supp. 2017, Section 1001), is amended to read
11 as follows:

12 Section 1001. A. There is hereby levied upon the production of
13 asphalt, ores bearing lead, zinc, jack and copper a tax equal to
14 three-fourths of one percent ($3/4$ of 1%) on the gross value thereof.

15 B. 1. Effective July 1, 2013, through June 30, 2015, except as
16 otherwise exempted pursuant to subsections D, E, F, G, H, I and J of
17 this section, there shall be levied upon the production of oil a tax
18 equal to seven percent (7%) of the gross value of the production of
19 oil based on a per barrel measurement of forty-two (42) U.S. gallons
20 of two hundred thirty-one (231) cubic inches per gallon, computed at
21 a temperature of sixty (60) degrees Fahrenheit.

22 2. Effective July 1, 2013, through June 30, 2015, except as
23 otherwise exempted pursuant to subsections D, E, F, G, H, I and J of
24

1 this section, there shall be levied a tax equal to seven percent
2 (7%) of the gross value of the production of gas.

3 3. Effective July 1, 2015, except as otherwise provided in this
4 section, there shall be levied a tax on the gross value of the
5 production of oil and gas as follows:

6 a. upon the production of oil a tax equal to seven
7 percent (7%) of the gross value of the production of
8 oil based on a per barrel measurement of forty-two
9 (42) U.S. gallons of two hundred thirty-one (231)
10 cubic inches per gallon, computed at a temperature of
11 sixty (60) degrees Fahrenheit,

12 b. upon the production of gas a tax equal to seven
13 percent (7%) of the gross value of the production of
14 gas, ~~and~~

15 c. notwithstanding the levies in subparagraphs a and b of
16 this paragraph, the production of oil, gas, or oil and
17 gas from wells spudded on or after July 1, 2015, and
18 prior to the effective date of this act, shall be
19 taxed at a rate of two percent (2%) commencing with
20 the month of first production for a period of thirty-
21 six (36) months; provided however, such production
22 occurring on or after the effective date of this act
23 for the remainder of such thirty-six-month period
24 shall be taxed at a rate of four percent (4%).

1 Thereafter, the production shall be taxed as provided
2 in subparagraphs a and b of this paragraph, and
3 d. notwithstanding the levies in subparagraphs a and b of
4 this paragraph, the production of oil, gas or oil and
5 gas from wells spudded on or after the effective date
6 of this act shall be taxed at a rate of four percent
7 (4%) commencing with the month of first production for
8 a period of thirty-six (36) months. Thereafter, the
9 production shall be taxed as provided in subparagraphs
10 a and b of this paragraph.

11 C. The taxes hereby levied shall also attach to, and are levied
12 on, what is known as the royalty interest, and the amount of such
13 tax shall be a lien on such interest.

14 D. 1. Except as otherwise provided in this section, for
15 secondary recovery projects approved or having an initial project
16 beginning date on or after July 1, 2000, and before July 1, 2017,
17 any incremental production attributable to the working interest
18 owners which results from such secondary recovery projects shall be
19 exempt from the gross production tax levied pursuant to this section
20 for a period not to exceed five (5) years from the initial project
21 beginning date or for a period ending upon the termination of the
22 secondary recovery process, whichever occurs first; provided
23 however, that the exemption provided by this paragraph shall not
24 apply to production occurring on or after July 1, 2017.

1 2. Except as otherwise provided in this section, for tertiary
2 recovery projects approved and having a project beginning date on or
3 after July 1, 1993, and before July 1, 2017, any incremental
4 production attributable to the working interest owners which results
5 from such tertiary recovery projects shall be exempt from the gross
6 production tax levied pursuant to this section from the project
7 beginning date until project payback is achieved, but not to exceed
8 a period of ten (10) years; provided however, that the exemption
9 provided by this paragraph shall not apply to production occurring
10 on or after July 1, 2017. Project payback pursuant to this
11 paragraph shall be determined by appropriate payback indicators
12 which will provide for the recovery of capital expenses and
13 operating expenses, excluding administrative expenses, in
14 determining project payback. The capital expenses of pipelines
15 constructed to transport carbon dioxide to a tertiary recovery
16 project shall not be included in determining project payback
17 pursuant to this paragraph.

18 3. The provisions of this subsection shall also not apply to
19 any enhanced recovery project using fresh water as the primary
20 injectant, except when using steam.

21 4. For purposes of this subsection:

22 a. "incremental production" means the amount of crude oil
23 or other liquid hydrocarbons which is produced during
24 an enhanced recovery project and which is in excess of

1 the base production amount of crude oil or other
2 liquid hydrocarbons. The base production amount shall
3 be the average monthly amount of production for the
4 twelve-month period immediately prior to the project
5 beginning date minus the monthly rate of production
6 decline for the project for each month beginning one
7 hundred eighty (180) days prior to the project
8 beginning date. The monthly rate of production
9 decline shall be equal to the average extrapolated
10 monthly decline rate for the twelve-month period
11 immediately prior to the project beginning date as
12 determined by the Corporation Commission based on the
13 production history of the field, its current status,
14 and sound reservoir engineering principles, and

15 b. "project beginning date" means the date on which the
16 injection of liquids, gases, or other matter begins on
17 an enhanced recovery project.

18 5. The Corporation Commission shall promulgate rules for the
19 qualification for this exemption which shall include, but not be
20 limited to, procedures for determining incremental production as
21 defined in subparagraph a of paragraph 4 of this subsection, and the
22 establishment of appropriate payback indicators as approved by the
23 Tax Commission for the determination of project payback for each of
24 the exemptions authorized by this subsection.

1 6. For new secondary recovery projects and tertiary recovery
2 projects approved by the Corporation Commission on or after July 1,
3 1993, and before July 1, 2017, such approval shall constitute
4 qualification for an exemption.

5 7. Any person seeking an exemption shall file an application
6 for such exemption with the Tax Commission which, upon determination
7 of qualification by the Corporation Commission, shall approve the
8 application for such exemption.

9 8. The Tax Commission may require any person requesting such
10 exemption to furnish information or records concerning the exemption
11 as is deemed necessary by the Tax Commission.

12 9. Upon the expiration of the exemption granted pursuant to
13 this subsection, the Tax Commission shall collect the gross
14 production tax levied pursuant to this section.

15 E. 1. Except as otherwise provided in this section, the
16 production of oil, gas or oil and gas from a horizontally drilled
17 well producing prior to July 1, 2011, which production commenced
18 after July 1, 2002, shall be exempt from the gross production tax
19 levied pursuant to subsection B of this section from the project
20 beginning date until project payback is achieved but not to exceed a
21 period of forty-eight (48) months commencing with the month of
22 initial production from the horizontally drilled well. For purposes
23 of subsection D of this section and this subsection, project payback
24 shall be determined as of the date of the completion of the well and

1 shall not include any expenses beyond the completion date of the
2 well, and subject to the approval of the Tax Commission.

3 2. Claims for refund for the production periods within the
4 fiscal years ending June 30, 2010, and June 30, 2011, shall be filed
5 and received by the Tax Commission no later than December 31, 2011.

6 3. For production commenced on or after July 1, 2011, and prior
7 to July 1, 2015, the tax levied pursuant to the provisions of this
8 section on the production of oil, gas or oil and gas from a
9 horizontally drilled well shall be reduced to a rate of one percent
10 (1%) for a period of forty-eight (48) months from the month of
11 initial production; provided however, such production occurring on
12 or after July 1, 2017, for the remainder of such forty-eight-month
13 period shall be subject to a reduced rate of four percent (4%);
14 further provided, any reduced rate provided by this paragraph shall
15 not apply to production occurring during or after the first full
16 month following the effective date of this act. The taxes collected
17 from the production of oil shall be apportioned pursuant to the
18 provisions of paragraph 7 of subsection B of Section 1004 of this
19 title. The taxes collected from the production of gas shall be
20 apportioned pursuant to the provisions of paragraph 3 of subsection
21 B of Section 1004 of this title.

22 4. The production of oil, gas or oil and gas on or after July
23 1, 2011, and prior to July 1, 2015, from these qualifying wells
24 shall be taxed at a rate of one percent (1%) until the expiration of

1 forty-eight (48) months commencing with the month of initial
2 production.

3 5. As used in this subsection, "horizontally drilled well"
4 shall mean an oil, gas or oil and gas well drilled or recompleted in
5 a manner which encounters and subsequently produces from a
6 geological formation at an angle in excess of seventy (70) degrees
7 from vertical and which laterally penetrates a minimum of one
8 hundred fifty (150) feet into the pay zone of the formation.

9 F. 1. Except as otherwise provided by this section, the
10 severance or production of oil, gas or oil and gas from an inactive
11 well shall be exempt from the gross production tax levied pursuant
12 to subsection B of this section for a period of twenty-eight (28)
13 months from the date upon which production is reestablished;
14 provided however, that the exemption provided by this paragraph
15 shall not apply to production occurring on or after July 1, 2017.
16 This exemption shall take effect July 1, 1994, and shall apply to
17 wells for which work to reestablish or enhance production began on
18 or after July 1, 1994, and for which production is reestablished
19 prior to July 1, 2017. For all such production, a refund against
20 gross production taxes shall be issued as provided in subsection L
21 of this section.

22 2. As used in this subsection, for wells for which production
23 is reestablished prior to July 1, 1997, "inactive well" means any
24 well that has not produced oil, gas or oil and gas for a period of

1 not less than two (2) years as evidenced by the appropriate forms on
2 file with the Corporation Commission reflecting the well's status.
3 As used in this subsection, for wells for which production is
4 reestablished on or after July 1, 1997, and prior to July 1, 2017,
5 "inactive well" means any well that has not produced oil, gas or oil
6 and gas for a period of not less than one (1) year as evidenced by
7 the appropriate forms on file with the Corporation Commission
8 reflecting the well's status. Wells which experience mechanical
9 failure or loss of mechanical integrity, as defined by the
10 Corporation Commission, including but not limited to, casing leaks,
11 collapse of casing or loss of equipment in a wellbore, or any
12 similar event which causes cessation of production, shall also be
13 considered inactive wells.

14 G. 1. ~~Except~~ On or after the effective date of this act,
15 except as otherwise provided by this section, any incremental
16 production which results from a production enhancement project shall
17 be ~~exempt from the gross production tax levied pursuant to~~
18 ~~subsection B of this section for a period of twenty-eight (28)~~
19 ~~months from the date of first sale after project completion of~~
20 subject to a reduced tax rate of four percent (4%) until the
21 expiration of thirty-six (36) months commencing with the month of
22 initial production from the production enhancement project; provided
23 however, that the ~~exemption~~ rate reduction provided by this
24 paragraph shall not apply to production occurring ~~on or after July~~

1 ~~1, 2017~~ prior to the effective date of this act. ~~This exemption~~
2 ~~shall take effect July 1, 1994, and shall apply to production~~
3 ~~enhancement projects having a project beginning date on or after~~
4 ~~July 1, 1994, and prior to July 1, 2017.~~ ~~For all such production, a~~
5 ~~refund against gross production taxes shall be issued as provided in~~
6 ~~subsection L of this section.~~

7 2. As used in this subsection:

- 8 a. ~~for production enhancement projects having a project~~
9 ~~beginning date on or after July 1, 1997, and prior to~~
10 ~~July 1, 2017,~~ "production enhancement project" means
11 ~~any workover as defined in this paragraph,~~
12 ~~recompletion as defined in this paragraph, reentry of~~
13 ~~plugged and abandoned wellbores, or addition of a well~~
14 ~~or field compression~~ reestablishment of production
15 from an inactive well as defined in this paragraph,
- 16 b. "incremental production" means the amount of crude
17 oil, natural gas or other hydrocarbons which are
18 produced as a result of the production enhancement
19 project in excess of the base production,
- 20 c. "base production" means the average monthly amount of
21 production for the twelve-month period immediately
22 prior to the commencement of the project or the
23 average monthly amount of production for the twelve-
24 month period immediately prior to the commencement of

1 the project less the monthly rate of production
2 decline for the project for each month beginning one
3 hundred eighty (180) days prior to the commencement of
4 the project. For instances where the production from
5 a production enhancement project is not commingled
6 with previously existing production within the well
7 for which the project is being conducted, the base
8 production amount as defined herein shall be
9 considered to be zero. The monthly rate of production
10 decline shall be equal to the average extrapolated
11 monthly decline rate for the twelve-month period
12 immediately prior to the commencement of the project
13 based on the production history of the well. If the
14 well or wells covered in the application had
15 production for less than the full twelve-month period
16 prior to the filing of the application for the
17 production enhancement project, the base production
18 shall be the average monthly production for the months
19 during that period that the well or wells produced,
20 d. ~~for production enhancement projects having a project~~
21 ~~beginning date on or after July 1, 1997, and prior to~~
22 ~~July 1, 2017, "recompletion" means any downhole~~
23 operation in an existing oil or gas well that is
24 conducted to establish production of oil or gas from

1 any geologic interval not currently completed or
2 producing in such existing oil or gas well within the
3 same or a different geologic formation, and

4 e. ~~"workover" means any downhole operation in an existing~~
5 ~~oil or gas well that is designed to sustain, restore~~
6 ~~or increase the production rate or ultimate recovery~~
7 ~~in a geologic interval currently completed or~~
8 ~~producing in the existing oil or gas well. For~~
9 ~~production enhancement projects having a project~~
10 ~~beginning date on or after July 1, 1997, and prior to~~
11 ~~July 1, 2017, "workover" includes, but is not limited~~
12 ~~to:~~

13 ~~(1) acidizing,~~

14 ~~(2) reperforating,~~

15 ~~(3) fracture treating,~~

16 ~~(4) sand/paraffin/scale removal or other wellbore~~
17 ~~cleanouts,~~

18 ~~(5) casing repair,~~

19 ~~(6) squeeze cementing,~~

20 ~~(7) installation of compression on a well or group of~~
21 ~~wells or initial installation of artificial lifts~~
22 ~~on gas wells, including plunger lifts, rod pumps,~~
23 ~~submersible pumps and coiled tubing velocity~~
24 ~~strings,~~

- 1 ~~(8) downsizing existing tubing to reduce well~~
2 ~~loading,~~
- 3 ~~(9) downhole commingling,~~
- 4 ~~(10) bacteria treatments,~~
- 5 ~~(11) upgrading the size of pumping unit equipment,~~
- 6 ~~(12) setting bridge plugs to isolate water production~~
7 ~~zones, or~~
- 8 ~~(13) any combination thereof.~~

9 ~~"Workover" shall not mean the routine maintenance,~~
10 ~~routine repair, or like for like replacement of~~
11 ~~downhole equipment such as rods, pumps, tubing,~~
12 ~~packers, or other mechanical devices~~

13 "inactive well" means any well that has not produced
14 oil, gas or oil and gas for a period of not less than
15 twenty-four (24) months prior to the date of
16 production being reestablished as evidenced by the
17 appropriate forms on file with the Corporation
18 Commission reflecting the well's status. Wells which
19 experience mechanical failure or loss of mechanical
20 integrity, as defined by the Corporation Commission,
21 including but not limited to casing leaks, collapse of
22 casing or loss of equipment in a wellbore, or any
23 similar event which causes cessation of production,
24 shall also be considered inactive wells.

1 H. 1. For purposes of this subsection, "depth" means the
2 length of the maximum continuous string of drill pipe utilized
3 between the drill bit face and the drilling rig's kelly bushing.

4 2. Except as otherwise provided in subsection K of this
5 section:

6 a. the production of oil, gas or oil and gas from wells
7 spudded between July 1, 1997, and July 1, 2005, and
8 drilled to a depth of twelve thousand five hundred
9 (12,500) feet or greater and wells spudded between
10 July 1, 2005, and July 1, 2015, and drilled to a depth
11 between twelve thousand five hundred (12,500) feet and
12 fourteen thousand nine hundred ninety-nine (14,999)
13 feet shall be exempt from the gross production tax
14 levied pursuant to subsection B of this section from
15 the date of first sales for a period of twenty-eight
16 (28) months; provided however, that the exemption
17 provided by this subparagraph shall not apply to
18 production occurring on or after July 1, 2017,

19 b. the production of oil, gas or oil and gas from wells
20 spudded between July 1, 2002, and July 1, 2005, and
21 drilled to a depth of fifteen thousand (15,000) feet
22 or greater and wells spudded between July 1, 2005, and
23 July 1, 2011, and drilled to a depth between fifteen
24 thousand (15,000) feet and seventeen thousand four

1 hundred ninety-nine (17,499) feet shall be exempt from
2 the gross production tax levied pursuant to subsection
3 B of this section from the date of first sales for a
4 period of forty-eight (48) months,

5 c. the production of oil, gas or oil and gas from wells
6 spudded between July 1, 2002, and July 1, 2011, and
7 drilled to a depth of seventeen thousand five hundred
8 (17,500) feet or greater shall be exempt from the
9 gross production tax levied pursuant to subsection B
10 of this section from the date of first sales for a
11 period of sixty (60) months,

12 d. the tax levied pursuant to the provisions of this
13 section on the production of oil, gas or oil and gas
14 from wells spudded between July 1, 2011, and July 1,
15 2015, and drilled to a depth between fifteen thousand
16 (15,000) feet and seventeen thousand four hundred
17 ninety-nine (17,499) feet shall be reduced to a rate
18 of four percent (4%) for a period of forty-eight (48)
19 months from the date of first sales; provided, the
20 reduced rate provided by this subparagraph shall not
21 apply to production occurring during or after the
22 first full month following the effective date of this
23 act. The taxes collected from the production of oil
24 shall be apportioned pursuant to the provisions of

1 paragraph 7 of subsection B of Section 1004 of this
2 title. The taxes collected from the production of gas
3 shall be apportioned pursuant to the provisions of
4 paragraph 3 of subsection B of Section 1004 of this
5 title,

6 e. the tax levied pursuant to the provisions of this
7 section on the production of oil, gas or oil and gas
8 from wells spudded between July 1, 2011, and July 1,
9 2015, and drilled to a depth of seventeen thousand
10 five hundred (17,500) feet or greater shall be reduced
11 to a rate of four percent (4%) for a period of sixty
12 (60) months from the date of first sales; provided
13 however, the reduced rate provided by this
14 subparagraph shall not apply to production occurring
15 during or after the first full month following the
16 effective date of this act. The taxes collected from
17 the production of oil shall be apportioned pursuant to
18 the provisions of paragraph 7 of subsection B of
19 Section 1004 of this title. The taxes collected from
20 the production of gas shall be apportioned pursuant to
21 the provisions of paragraph 3 of subsection B of
22 Section 1004 of this title, and

23 f. the provisions of subparagraphs b and c of this
24 paragraph shall only apply to the production of wells

1 qualifying for the exemption provided under these
2 subparagraphs prior to July 1, 2011. The production
3 of oil, gas or oil and gas on or after July 1, 2011,
4 and before July 1, 2015, from wells qualifying under
5 subparagraph b of this paragraph shall be taxed at a
6 rate of four percent (4%) until the expiration of
7 forty-eight (48) months from the date of first sales
8 and the production of oil, gas or oil and gas on or
9 after July 1, 2011, and before July 1, 2015, from
10 wells qualifying under subparagraph c of this
11 paragraph shall be taxed at a rate of four percent
12 (4%) until the expiration of sixty (60) months from
13 the date of first sales.

14 3. Except as otherwise provided for in this subsection, for all
15 such wells spudded, a refund against gross production taxes shall be
16 issued as provided in subsection L of this section.

17 I. Except as otherwise provided by this section, the production
18 of oil, gas or oil and gas from wells spudded or reentered between
19 July 1, 1995, and July 1, 2015, which qualify as a new discovery
20 pursuant to this subsection shall be exempt from the gross
21 production tax levied pursuant to subsection B of this section from
22 the date of first sales for a period of twenty-eight (28) months;
23 provided however, that the exemption provided by this subsection
24 shall not apply to production occurring on or after July 1, 2017.

1 For all such wells spudded or reentered, a refund against gross
2 production taxes shall be issued as provided in subsection L of this
3 section. As used in this subsection, "new discovery" means
4 production of oil, gas or oil and gas from:

5 1. For wells spudded or reentered on or after July 1, 1997, and
6 prior to July 1, 2015, a well that discovers crude oil in paying
7 quantities that is more than one (1) mile from the nearest oil well
8 producing from the same producing interval of the same formation;

9 2. For wells spudded or reentered on or after July 1, 1997, and
10 prior to July 1, 2015, a well that discovers crude oil in paying
11 quantities beneath current production in a deeper producing interval
12 that is more than one (1) mile from the nearest oil well producing
13 from the same deeper producing interval;

14 3. For wells spudded or reentered on or after July 1, 1997, and
15 prior to July 1, 2015, a well that discovers natural gas in paying
16 quantities that is more than two (2) miles from the nearest gas well
17 producing from the same producing interval; or

18 4. For wells spudded or reentered on and after July 1, 1997,
19 and prior to July 1, 2015, a well that discovers natural gas in
20 paying quantities beneath current production in a deeper producing
21 interval that is more than two (2) miles from the nearest gas well
22 producing from the same deeper producing interval.

23 J. Except as otherwise provided by this section, the production
24 of oil, gas or oil and gas from any well, drilling of which is

1 commenced after July 1, 2000, and prior to July 1, 2015, located
2 within the boundaries of a three-dimensional seismic shoot and
3 drilled based on three-dimensional seismic technology, shall be
4 exempt from the gross production tax levied pursuant to subsection B
5 of this section from the date of first sales as follows:

6 1. If the three-dimensional seismic shoot is shot prior to July
7 1, 2000, for a period of eighteen (18) months; and

8 2. If the three-dimensional seismic shoot is shot on or after
9 July 1, 2000, for a period of twenty-eight (28) months; provided
10 however, that the exemption provided by this subsection shall not
11 apply to production occurring on or after July 1, 2017. For all
12 such production, a refund against gross production taxes shall be
13 issued as provided in subsection L of this section.

14 K. 1. The exemptions provided for in subsections F, ~~G~~, I and J
15 of this section, the exemption provided for in subparagraph a of
16 paragraph 2 of subsection H of this section, and the exemptions
17 provided for in subparagraphs b and c of paragraph 2 of subsection H
18 of this section for production from wells spudded before July 1,
19 2005, shall not apply:

20 a. to the severance or production of oil, upon
21 determination by the Tax Commission that the average
22 annual index price of Oklahoma oil exceeds Thirty
23 Dollars (\$30.00) per barrel calculated on an annual
24 calendar year basis, as adjusted for inflation using

1 the Consumer Price Index-All Urban Consumers (CPI-U)
2 as published by the Bureau of Labor Statistics of the
3 U.S. Department of Labor or its successor agency.
4 Such adjustment shall be based on the most current
5 data available for the preceding twelve-month period
6 and shall be applied for the fiscal year which begins
7 on the July 1 date immediately following the release
8 of the CPI-U data by the Bureau of Statistics.

9 (1) The "average annual index price" will be
10 calculated by multiplying the West Texas
11 Intermediate closing price by the "index price
12 ratio". The index price ratio is defined as the
13 immediate preceding three-year historical average
14 ratio of the actual weighted average wellhead
15 price to the West Texas Intermediate close price
16 published on the last business day of each month.

17 (2) The average annual index price will be updated
18 annually by the Oklahoma Tax Commission no later
19 than March 31 of each year.

20 (3) If the West Texas Intermediate Crude price is
21 unavailable for any reason, an industry benchmark
22 price may be substituted and used for the
23 calculation of the index price as determined by
24 the Tax Commission,

1 b. to the severance or production of oil or gas upon
2 which gross production taxes are paid at a rate of one
3 percent (1%) pursuant to the provisions of subsection
4 B of this section, and

5 c. to the severance or production of gas, upon
6 determination by the Tax Commission that the average
7 annual index price of Oklahoma gas exceeds Five
8 Dollars (\$5.00) per thousand cubic feet (mcf)
9 calculated on an annual calendar year basis as
10 adjusted for inflation using the Consumer Price Index-
11 All Urban Consumers (CPI-U) as published by the Bureau
12 of Labor Statistics of the U.S. Department of Labor or
13 its successor agency. Such adjustment shall be based
14 on the most current data available for the preceding
15 twelve-month period and shall be applied for the
16 fiscal year which begins on the July 1 date
17 immediately following the release of the CPI-U data by
18 the Bureau of Statistics.

19 (1) The "average annual index price" will be
20 calculated by multiplying the Henry Hub 3-Day
21 Average Close price by the "index price ratio".
22 The index price ratio is defined as the immediate
23 preceding three-year historical average ratio of
24 the actual weighted average wellhead price to the

1 Henry Hub 3-Day Average Close price published on
2 the last business day of each month.

3 (2) The average annual index price will be updated
4 annually by the Oklahoma Tax Commission no later
5 than March 31 of each year.

6 (3) If the Henry Hub 3-Day Average Close price is
7 unavailable for any reason, an industry benchmark
8 price may be substituted and used for the
9 calculation of the index price as determined by
10 the Tax Commission.

11 2. Notwithstanding the exemptions granted pursuant to
12 subsections F, ~~G~~, I, J, paragraph 1 of subsection E, and
13 subparagraph a of paragraph 2 of subsection H of this section, there
14 shall continue to be levied upon the production of petroleum or
15 other crude or mineral oil or natural gas or casinghead gas, as
16 provided in subsection B of this section, from any wells provided
17 for in subsections F, ~~G~~, I, J, paragraph 1 of subsection E, and
18 subparagraph a of paragraph 2 of subsection H of this section, a tax
19 equal to one percent (1%) of the gross value of the production of
20 petroleum or other crude or mineral oil or natural gas or casinghead
21 gas. The tax hereby levied shall be apportioned as follows:

22 a. fifty percent (50%) of the sum collected shall be
23 apportioned to the County Highway Fund as provided in
24

1 subparagraph b of paragraph 1 of subsection B of
2 Section 1004 of this title, and

- 3 b. fifty percent (50%) of the sum collected shall be
4 apportioned to the appropriate school district as
5 provided in subparagraph c of paragraph 1 of
6 subsection B of Section 1004 of this title.

7 Upon the expiration of the exemption granted pursuant to
8 subsection E, F, ~~G~~, H, I or J of this section, the provisions of
9 this paragraph shall have no force or effect.

10 L. 1. Prior to July 1, 2015, and except as provided in
11 subsection M of this section, for all oil and gas production exempt
12 from gross production taxes pursuant to subsections E, F, ~~G~~, H, I
13 and J of this section during a given fiscal year, a refund of gross
14 production taxes shall be issued to the well operator or a designee
15 in the amount of such gross production taxes paid during such
16 period, subject to the following provisions:

- 17 a. a refund shall not be claimed until after the end of
18 such fiscal year. As used in this subsection, a
19 fiscal year shall be deemed to begin on July 1 of one
20 calendar year and shall end on June 30 of the
21 subsequent calendar year,
22 b. unless otherwise specified, no claims for refunds
23 pursuant to the provisions of this subsection shall be
24 filed more than eighteen (18) months after the first

1 day of the fiscal year in which the refund is first
2 available,

3 c. no claims for refunds pursuant to the provisions of
4 this subsection shall be filed by or on behalf of
5 persons other than the operator or a working interest
6 owner of record at the time of production,

7 d. no refunds shall be claimed or paid pursuant to the
8 provisions of this subsection for oil or gas
9 production upon which a tax is paid at a rate of one
10 percent (1%) as specified in subsection B of this
11 section, and

12 e. no refund shall be paid unless the person making the
13 claim for refund demonstrates by affidavit or other
14 means prescribed by the Tax Commission that an amount
15 equal to or greater than the amount of the refund has
16 been invested in the exploration for or production of
17 crude oil or natural gas in this state by such person
18 not more than three (3) years prior to the date of the
19 claim. No amount of investment used to qualify for a
20 refund pursuant to the provisions of this subsection
21 may be used to qualify for another refund pursuant to
22 the provisions of this subsection.

23 If there are insufficient funds collected from the production of
24 oil to satisfy the refunds claimed for oil production pursuant to

1 subsection E, F, ~~G~~, H, I or J of this section, the Tax Commission
2 shall pay the balance of the refund claims out of the gross
3 production taxes collected from the production of gas.

4 2. On or after July 1, 2015, for all oil and gas production
5 exempt from gross production taxes pursuant to ~~subsections~~
6 subsection F and ~~G~~ of this section during a given fiscal year, a
7 refund of gross production taxes shall be issued to the well
8 operator or a designee in the amount of such gross production taxes
9 paid during such period, subject to the following provisions:

10 a. a refund shall not be claimed until after the end of
11 such fiscal year. As used in this subsection, a
12 fiscal year shall be deemed to begin on July 1 of one
13 calendar year and shall end on June 30 of the
14 subsequent calendar year,

15 b. unless otherwise specified, no claims for refunds
16 pursuant to the provisions of this subsection shall be
17 filed more than eighteen (18) months after the first
18 day of the fiscal year in which the refund is first
19 available, or September 30, 2017, whichever is sooner,

20 c. no claims for refunds pursuant to the provisions of
21 this subsection shall be filed by or on behalf of
22 persons other than the operator or a working interest
23 owner of record at the time of production,
24

1 d. no refunds shall be claimed or paid pursuant to the
2 provisions of this subsection for oil or gas
3 production upon which a tax is paid at a rate of two
4 percent (2%), and

5 e. no refund shall be paid unless the person making the
6 claim for refund demonstrates by affidavit or other
7 means prescribed by the Tax Commission that an amount
8 equal to or greater than the amount of the refund has
9 been invested in the exploration for or production of
10 crude oil or natural gas in this state by such person
11 not more than three (3) years prior to the date of the
12 claim. No amount of investment used to qualify for a
13 refund pursuant to the provisions of this paragraph
14 may be used to qualify for another refund pursuant to
15 the provisions of this paragraph.

16 If there are insufficient funds collected from the production of
17 oil or gas to satisfy the refunds claimed for oil or gas production
18 pursuant to subsection F ~~or G~~ of this section, the Tax Commission
19 shall pay the balance of the refund claims out of the gross
20 production taxes collected from either the production of oil or gas,
21 as necessary.

22 3. Notwithstanding any other provisions of law, after the
23 effective date of this act, no refund of gross production taxes
24 shall be claimed for oil and gas production exempt from gross

1 production taxes pursuant to subsections E, F, ~~G~~ H, I and J of this
2 section for production occurring prior to July 1, 2003.

3 4. Notwithstanding any other provision of this section, no
4 claims for refunds pursuant to the provisions of subsections F, ~~G~~ I
5 and J, and subparagraph a of paragraph 2 of subsection H of this
6 section, or provisions of subsection G as they existed in law prior
7 to the effective date of this act, shall be filed or accepted on or
8 after October 1, 2017.

9 M. Claims for refunds pursuant to the provisions of subsections
10 F, ~~G~~ I and J and subparagraph a of paragraph 2 of subsection H of
11 this section or provisions of subsection G as they existed in law
12 prior to the effective date of this act for production periods
13 ending on or before June 30, 2017, shall be paid pursuant to the
14 provisions of this subsection. The claims for refunds referenced
15 herein shall be paid in equal payments over a period of thirty-six
16 (36) months. The first payment shall be made after July 1, 2018,
17 but prior to August 1, 2018. The Tax Commission shall provide, not
18 later than June 30, 2018, to the operator or designated interest
19 owner, a schedule of rebates to be paid out over the thirty-six-
20 month period.

21 N. 1. The Corporation Commission and the Tax Commission shall
22 promulgate joint rules for the qualification for the exemptions and
23 reduced tax rates provided for in this section and the rules shall
24 contain provisions for verification of any wells from which

1 production may be qualified for ~~the~~ such exemptions and reduced tax
2 rates. The Tax Commission shall adopt rules and regulations which
3 establish guidelines:

4 a. for production of oil or gas after July 1, 2011, which
5 is exempt from tax pursuant to the provisions of
6 paragraph 1 of subsection E and subparagraphs b and c
7 of paragraph 2 of subsection H of this section, to
8 remit tax at the reduced rate provided in paragraph 2
9 of subsection E and subparagraphs d and e of paragraph
10 2 of subsection H of this section until the end of the
11 qualifying exemption period, and

12 b. for production of oil or gas after the effective date
13 of this act, which is subject to a reduced tax rate
14 pursuant to the provisions of subsection G of this
15 section, to remit tax at the reduced rate until the
16 end of the qualifying period.

17 2. Any person requesting any exemption or reduced rate shall
18 file an application for qualification for the exemption or reduced
19 rate with the Corporation Commission which, upon finding that the
20 well meets the requirements of this section, shall approve the
21 application for qualification.

22 3. Any person seeking an exemption or reduced rate shall:

23 a. file an application for the exemption or reduced rate
24 with the Tax Commission which, upon determination of

1 qualification by the Corporation Commission, shall
2 approve the application for an exemption or reduced
3 rate, and

4 b. provide a copy of the approved application to the
5 remitter of the gross production tax.

6 4. The Tax Commission may require any person requesting an
7 exemption to furnish necessary financial and other information or
8 records in order to determine and justify the refund.

9 5. Upon the expiration of an exemption or reduced rate granted
10 pursuant to this section, the Tax Commission shall collect the gross
11 production tax ~~levied pursuant to~~ otherwise applicable under the
12 provisions of this section. If a person who qualifies for the
13 exemption or reduced rate elects to remit his or her own gross
14 production tax during the exemption or reduced rate period, the
15 first purchaser shall not be liable to withhold or remit the tax
16 until the first day of the month following the receipt of written
17 notification from the person who is qualified for such exemption or
18 reduced rate stating that such exemption or reduced rate has expired
19 and directing the first purchaser to resume tax remittance on his or
20 her behalf at the otherwise applicable rate.

21 O. 1. Prior to July 1, 2015, persons shall only be entitled to
22 either the exemption granted pursuant to subsection D of this
23 section or the exemption granted pursuant to subsection E, F, ~~G~~, H,
24 I or J of this section for each oil, gas or oil and gas well drilled

1 or recompleted in this state. However, any person who qualifies for
2 the exemption granted pursuant to subsection E, F, ~~G~~, H, I or J of
3 this section shall not be prohibited from qualification for the
4 exemption granted pursuant to subsection D of this section, if the
5 exemption granted pursuant to subsection E, F, ~~G~~, H, I or J of this
6 section has expired.

7 2. On or after July 1, 2015, all persons shall only be entitled
8 to either the exemption granted pursuant to subsection D of this
9 section or the exemption granted pursuant to subsection F ~~or G~~ of
10 this section for each oil, gas, or oil and gas well drilled or
11 recompleted in this state. However, any person who qualifies for
12 the exemption granted pursuant to ~~subsections~~ subsection F ~~and G~~ of
13 this section shall not be prohibited from qualification for the
14 exemption granted pursuant to subsection D of this section if the
15 exemption granted pursuant to subsection F ~~or G~~ of this section has
16 expired. Further, the exemption granted pursuant to subsection D of
17 this section shall not apply to any production upon which a tax is
18 paid at a rate of two percent (2%).

19 P. The Tax Commission shall have the power to require any such
20 person engaged in mining or the production or the purchase of such
21 asphalt, mineral ores aforesaid, oil, or gas, or the owner of any
22 royalty interest therein to furnish any additional information by it
23 deemed to be necessary for the purpose of correctly computing the
24 amount of the tax; and to examine the books, records and files of

1 such person; and shall have power to conduct hearings and compel the
2 attendance of witnesses, and the production of books, records and
3 papers of any person.

4 Q. Any person or any member of any firm or association, or any
5 officer, official, agent or employee of any corporation who shall
6 fail or refuse to testify; or who shall fail or refuse to produce
7 any books, records or papers which the Tax Commission shall require;
8 or who shall fail or refuse to furnish any other evidence or
9 information which the Tax Commission may require; or who shall fail
10 or refuse to answer any competent questions which may be put to him
11 or her by the Tax Commission, touching the business, property,
12 assets or effects of any such person relating to the gross
13 production tax imposed by this article or exemption authorized
14 pursuant to this section or other laws, shall be guilty of a
15 misdemeanor, and, upon conviction thereof, shall be punished by a
16 fine of not more than Five Hundred Dollars (\$500.00), or
17 imprisonment in the jail of the county where such offense shall have
18 been committed, for not more than one (1) year, or by both such fine
19 and imprisonment; and each day of such refusal on the part of such
20 person shall constitute a separate and distinct offense.

21 R. The Tax Commission shall have the power and authority to
22 ascertain and determine whether or not any report herein required to
23 be filed with it is a true and correct report of the gross products,
24 and of the value thereof, of such person engaged in the mining or

1 production or purchase of asphalt and ores bearing minerals
2 aforesaid and of oil and gas. If any person has made an untrue or
3 incorrect report of the gross production or value or volume thereof,
4 or shall have failed or refused to make such report, the Tax
5 Commission shall, under the rules prescribed by it, ascertain the
6 correct amount of either, and compute the tax.

7 S. The payment of the taxes herein levied shall be in full, and
8 in lieu of all taxes by the state, counties, cities, towns, school
9 districts and other municipalities upon any property rights attached
10 to or inherent in the right to the minerals, upon producing leases
11 for the mining of asphalt and ores bearing lead, zinc, jack or
12 copper, or for oil, or for gas, upon the mineral rights and
13 privileges for the minerals aforesaid belonging or appertaining to
14 land, upon the machinery, appliances and equipment used in and
15 around any well producing oil, or gas, or any mine producing asphalt
16 or any of the mineral ores aforesaid and actually used in the
17 operation of such well or mine. The payment of gross production tax
18 shall also be in lieu of all taxes upon the oil, gas, asphalt or
19 ores bearing minerals hereinbefore mentioned during the tax year in
20 which the same is produced, and upon any investment in any of the
21 leases, rights, privileges, minerals or other property described
22 herein. Any interest in the land, other than that herein
23 enumerated, and oil in storage, asphalt and ores bearing minerals
24 hereinbefore named, mined, produced and on hand at the date as of

1 which property is assessed for general and ad valorem taxation for
2 any subsequent tax year, shall be assessed and taxed as other
3 property within the taxing district in which such property is
4 situated at the time.

5 T. No equipment, material or property shall be exempt from the
6 payment of ad valorem tax by reason of the payment of the gross
7 production tax except such equipment, machinery, tools, material or
8 property as is actually necessary and being used and in use in the
9 production of asphalt or of ores bearing lead, zinc, jack or copper
10 or of oil or gas. Provided, the exemption shall include the
11 wellbore and non-recoverable down-hole material, including casing,
12 actually used in the disposal of waste materials produced with such
13 oil or gas. It is expressly declared that no ice plants, hospitals,
14 office buildings, garages, residences, gasoline extraction or
15 absorption plants, water systems, fuel systems, rooming houses and
16 other buildings, nor any equipment or material used in connection
17 therewith, shall be exempt from ad valorem tax.

18 U. The exemption from ad valorem tax set forth in subsections S
19 and T of this section shall continue to apply to all property from
20 which production of oil, gas or oil and gas is exempt from gross
21 production tax pursuant to subsection D, E, F, G, H, I or J of this
22 section.

23
24

1 SECTION 12. AMENDATORY 68 O.S. 2011, Section 1004, as
2 last amended by Section 2, Chapter 355, O.S.L. 2017 (68 O.S. Supp.
3 2017, Section 1004), is amended to read as follows:

4 Section 1004. A. As used in this section:

5 1. "Moving five-year average amount for gas" means, for
6 purposes of the apportionments prescribed by this section, the
7 amount of gross production tax on natural gas collected for each of
8 the five (5) complete fiscal years, as computed by the State Board
9 of Equalization pursuant to Section 34.103 of Title 62 of the
10 Oklahoma Statutes; and

11 2. "Moving five-year average amount for oil" means, for
12 purposes of the apportionments prescribed by this section, the
13 amount of gross production tax on oil collected for each of the five
14 (5) complete fiscal years, as computed by the State Board of
15 Equalization pursuant to Section 34.103 of Title 62 of the Oklahoma
16 Statutes.

17 B. Beginning July 1, 2017, the gross production tax provided
18 for in Section 1001 of this title is hereby levied and shall be
19 collected and apportioned as follows:

20 1. For all monies collected from the tax levied on asphalt or
21 ores bearing uranium, lead, zinc, jack, gold, silver or copper:
22 a. eighty-five and seventy-two one-hundredths percent
23 (85.72%) shall be paid to the State Treasurer of the
24 state to be placed in the General Revenue Fund of the

1 state and used for the general expense of state
2 government, to be paid out pursuant to direct
3 appropriation by the Legislature,

4 b. seven and fourteen one-hundredths percent (7.14%) of
5 the sum collected from natural gas and/or casinghead
6 gas or asphalt or ores bearing uranium, lead, zinc,
7 jack, gold, silver or copper shall be paid to the
8 various county treasurers to be credited to the County
9 Highway Fund as follows: Each county shall receive a
10 proportionate share of the funds available based upon
11 the proportion of the total value of production from
12 such county in the corresponding month of the
13 preceding year, and

14 c. seven and fourteen one-hundredths percent (7.14%)
15 shall be allocated to each county as provided for in
16 subparagraph b of this paragraph and shall be
17 apportioned, on an average daily attendance per capita
18 distribution basis, as certified by the State
19 Superintendent of Public Instruction to the school
20 districts of the county where such pupils attend
21 school regardless of residence of such pupil, provided
22 the school district makes an ad valorem tax levy of
23 fifteen (15) mills for the current year and maintains
24 twelve (12) years of instruction;

1 2. For all monies collected from the tax levied on natural gas
2 and/or casinghead gas at a tax rate of seven percent (7%) pursuant
3 to the provisions of subsection B of Section 1001 of this title:

4 a. after the total revenue apportioned to the General
5 Revenue Fund as prescribed by subparagraph b of this
6 paragraph equals the moving five-year average amount
7 for gas as defined by paragraph 1 of subsection A of
8 this section, there shall be apportioned from the
9 gross production tax levy imposed pursuant to Section
10 1001 of this title on natural gas and/or casinghead
11 gas to the Revenue Stabilization Fund created by
12 Section 34.102 of Title 62 of the Oklahoma Statutes,
13 the amount of revenue, if any, which exceeds the
14 moving five-year average amount for gas as defined
15 pursuant to paragraph 1 of subsection A of this
16 section,

17 b. until the apportionment to the General Revenue Fund
18 equals the moving five-year average amount for gas as
19 prescribed by paragraph 1 of subsection A of this
20 section, eighty-five and seventy-two one-hundredths
21 percent (85.72%) shall be paid to the State Treasurer
22 of the state to be placed in the General Revenue Fund
23 of the state and used for the general expense of state
24

1 government, to be paid out pursuant to direct
2 appropriation by the Legislature,

3 c. before any other apportionment of revenue has been
4 made pursuant to this paragraph, seven and fourteen
5 one-hundredths percent (7.14%) of the sum collected
6 from natural gas and/or casinghead gas shall be paid
7 to the various county treasurers to be credited to the
8 County Highway Fund as follows: Each county shall
9 receive a proportionate share of the funds available
10 based upon the proportion of the total value of
11 production from such county in the corresponding month
12 of the preceding year, and

13 d. before any other apportionment of revenue has been
14 made pursuant to this paragraph, seven and fourteen
15 one-hundredths percent (7.14%) shall be allocated to
16 each county as provided for in subparagraph c of this
17 paragraph and shall be apportioned, on an average
18 daily attendance per capita distribution basis, as
19 certified by the State Superintendent of Public
20 Instruction to the school districts of the county
21 where such pupils attend school regardless of
22 residence of such pupil, provided the school district
23 makes an ad valorem tax levy of fifteen (15) mills for
24

1 the current year and maintains twelve (12) years of
2 instruction;

3 3. For all monies collected from the tax levied on natural gas
4 and/or casinghead gas at a tax rate of four percent (4%) pursuant to
5 the provisions of subsections B, ~~and E~~ and G of Section 1001 of this
6 title:

7 a. after the total revenue apportioned to the General
8 Revenue Fund as prescribed by subparagraph b of this
9 paragraph equals the moving five-year average amount
10 for gas as defined by paragraph 1 of subsection A of
11 this section, there shall be apportioned from the
12 gross production tax levy imposed pursuant to Section
13 1001 of this title on natural gas and/or casinghead
14 gas to the Revenue Stabilization Fund created pursuant
15 to Section 34.102 of Title 62 of the Oklahoma
16 Statutes, the amount of revenue, if any, which exceeds
17 the moving five-year average amount for gas as defined
18 pursuant to paragraph 1 of subsection A of this
19 section,

20 b. until the apportionment to the General Revenue Fund
21 equals the moving five-year average amount for gas as
22 prescribed by paragraph 1 of subsection A of this
23 section, seventy-five percent (75%) shall be paid to
24 the State Treasurer of the state to be placed in the

1 General Revenue Fund of the state and used for the
2 general expense of state government, to be paid out
3 pursuant to direct appropriation by the Legislature,
4 c. before any other apportionment of revenue has been
5 made pursuant to this paragraph, twelve and one-half
6 percent (12.5%) of the sum collected from natural gas
7 and/or casinghead gas shall be paid to the various
8 county treasurers to be credited to the County Highway
9 Fund as follows: Each county shall receive a
10 proportionate share of the funds available based upon
11 the proportion of the total value of production from
12 such county in the corresponding month of the
13 preceding year, and
14 d. before any other apportionment of revenue has been
15 made pursuant to this paragraph, twelve and one-half
16 percent (12.5%) shall be allocated to each county as
17 provided for in subparagraph c of this paragraph and
18 shall be apportioned, on an average daily attendance
19 per capita distribution basis, as certified by the
20 State Superintendent of Public Instruction to the
21 school districts of the county where such pupils
22 attend school regardless of residence of such pupil,
23 provided the school district makes an ad valorem tax
24

1 levy of fifteen (15) mills for the current year and
2 maintains twelve (12) years of instruction;

3 4. For all monies collected from the tax levied on natural gas
4 and/or casinghead gas at a tax rate of one percent (1%) pursuant to
5 the provisions of subsection B of Section 1001 of this title:

6 a. fifty percent (50%) of the sum collected from natural
7 gas and/or casinghead gas shall be paid to the various
8 county treasurers to be credited to the County Highway
9 Fund as follows: Each county shall receive a
10 proportionate share of the funds available based upon
11 the proportion of the total value of production from
12 such county in the corresponding month of the
13 preceding year, and

14 b. fifty percent (50%) shall be allocated to each county
15 as provided for in subparagraph a of this paragraph
16 and shall be apportioned, on an average daily
17 attendance per capita distribution basis, as certified
18 by the State Superintendent of Public Instruction to
19 the school districts of the county where such pupils
20 attend school regardless of residence of such pupil,
21 provided the school district makes an ad valorem tax
22 levy of fifteen (15) mills for the current year and
23 maintains twelve (12) years of instruction;

24

1 5. For all monies collected from the tax levied on natural gas
2 and/or casinghead gas at a tax rate of two percent (2%) pursuant to
3 the provisions of subparagraph c of paragraph 3 of subsection B of
4 Section 1001 of this title:

5 a. after the total revenue apportioned to the General
6 Revenue Fund as prescribed by subparagraph b of this
7 paragraph equals the moving five-year average amount
8 for gas as defined by paragraph 1 of subsection A of
9 this section, there shall be apportioned from the
10 gross production tax levy imposed pursuant to Section
11 1001 of this title on gas to the Revenue Stabilization
12 Fund created by Section 34.102 of Title 62 of the
13 Oklahoma Statutes, the amount of revenue, if any,
14 which exceeds the moving five-year average amount for
15 natural gas and/or casinghead gas as defined pursuant
16 to paragraph 1 of subsection A of this section,

17 b. until the apportionment to the General Revenue Fund
18 equals the moving five-year average amount for gas as
19 prescribed by paragraph 1 of subsection A of this
20 section, fifty percent (50%) shall be paid to the
21 State Treasurer to be placed in the General Revenue
22 Fund of the state and used for the general expense of
23 state government, to be paid out pursuant to direct
24 appropriation by the Legislature,

1 c. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twenty-five percent
3 (25%) of the sum collected from natural gas and/or
4 casinghead gas shall be paid to the various county
5 treasurers to be credited to the County Highway Fund
6 as follows: Each county shall receive a proportionate
7 share of the funds available based upon the proportion
8 of the total value of production from such county in
9 the corresponding month of the preceding year, and

10 d. before any other apportionment of revenue has been
11 made pursuant to this paragraph, twenty-five percent
12 (25%) shall be allocated to each county as provided
13 for in subparagraph c of this paragraph and shall be
14 apportioned on an average daily attendance per capita
15 distribution basis, as certified by the State
16 Superintendent of Public Instruction, to the school
17 districts of the county where such pupils attend
18 school regardless of residence of such pupil, provided
19 the school district makes an ad valorem tax levy of
20 fifteen (15) mills for the current year and maintains
21 twelve (12) years of instruction;

22 6. For all monies collected from the tax levied on oil at a tax
23 rate of seven percent (7%) pursuant to the provisions of subsection
24 B of Section 1001 of this title:

1 a. there shall be apportioned from the gross production
2 tax levy imposed pursuant to Section 1001 of this
3 title on oil to the Revenue Stabilization Fund created
4 by Section 34.102 of Title 62 of the Oklahoma
5 Statutes, after the applicable maximum amount
6 prescribed by subsection C of this section has been
7 deposited to the funds therein specified, the amount
8 of revenue, if any, which would otherwise be
9 apportioned to the General Revenue Fund and which
10 exceeds the moving five-year average amount for oil as
11 defined pursuant to paragraph 2 of subsection A of
12 this section,

13 b. before any other apportionment of revenue has been
14 made pursuant to this paragraph, twenty-five and
15 seventy-two one-hundredths percent (25.72%) shall be
16 paid to the State Treasurer to be placed in the Common
17 Education Technology Revolving Fund created in Section
18 34.90 of Title 62 of the Oklahoma Statutes,

19 c. before any other apportionment of revenue has been
20 made pursuant to this paragraph, twenty-five and
21 seventy-two one-hundredths percent (25.72%) shall be
22 paid to the State Treasurer to be placed in the Higher
23 Education Capital Revolving Fund created in Section
24 34.91 of Title 62 of the Oklahoma Statutes,

1 d. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twenty-five and
3 seventy-two one-hundredths percent (25.72%) shall be
4 paid to the State Treasurer to be placed in the
5 Oklahoma Student Aid Revolving Fund created in Section
6 34.92 of Title 62 of the Oklahoma Statutes,

7 e. before any other apportionment of revenue has been
8 made pursuant to this paragraph, three and seven
9 hundred forty-five one-thousandths percent (3.745%)
10 shall be distributed to the various counties of the
11 state for deposit into the County Bridge and Road
12 Improvement Fund of each county based on a formula
13 developed by the Department of Transportation and
14 approved by the Department of Transportation County
15 Advisory Board created pursuant to Section 302.1 of
16 Title 69 of the Oklahoma Statutes to be used for the
17 purposes set forth in the County Bridge and Road
18 Improvement Act. The formula shall be similar to the
19 formula currently used for the distribution of monies
20 in the County Bridge Program funds, but shall also
21 take into consideration the effect of the terrain and
22 traffic volume as related to county road improvement
23 and maintenance costs,

1 f. before any other apportionment of revenue has been
2 made pursuant to this paragraph, four and twenty-eight
3 one-hundredths percent (4.28%) shall be paid to the
4 State Treasurer to be apportioned to:

5 (1) the following sources and in the following
6 amounts through the fiscal year ending June 30,
7 2019:

8 (a) thirty-three and one-third percent (33 1/3%)
9 to the Oklahoma Tourism and Recreation
10 Department Capital Expenditure Revolving
11 Fund created pursuant to Section 2254.1 of
12 Title 74 of the Oklahoma Statutes,

13 (b) thirty-three and one-third percent (33 1/3%)
14 to the Oklahoma Conservation Commission
15 Infrastructure Revolving Fund created
16 pursuant to Section 3-2-110 of Title 27A of
17 the Oklahoma Statutes, and

18 (c) thirty-three and one-third percent (33 1/3%)
19 to the Community Water Infrastructure
20 Development Revolving Fund created pursuant
21 to Section 1085.7A of Title 82 of the
22 Oklahoma Statutes, and

23 (2) the Oklahoma Water Resources Board Rural Economic
24 Action Plan Water Projects Fund for the fiscal

1 year beginning July 1, 2019, and for each fiscal
2 year thereafter,

3 g. before any other apportionment of revenue has been
4 made pursuant to this paragraph, seven and fourteen
5 one-hundredths percent (7.14%) of the sum collected
6 from oil shall be paid to the various county
7 treasurers, to be credited to the County Highway Fund
8 as follows: Each county shall receive a proportionate
9 share of the funds available based upon the proportion
10 of the total value of production from such county in
11 the corresponding month of the preceding year,

12 h. before any other apportionment of revenue has been
13 made pursuant to this paragraph, seven and fourteen
14 one-hundredths percent (7.14%) shall be allocated to
15 each county as provided in subparagraph g of this
16 paragraph and shall be apportioned, on an average
17 daily attendance per capita distribution basis, as
18 certified by the State Superintendent of Public
19 Instruction, to the school districts of the county
20 where such pupils attend school regardless of
21 residence of such pupil, provided the school district
22 makes an ad valorem tax levy of fifteen (15) mills for
23 the current year and maintains twelve (12) years of
24 instruction, and

1 i. before any other apportionment of revenue has been
2 made pursuant to this paragraph, five hundred thirty-
3 five one-thousandths percent (0.535%) of the levy
4 shall be transmitted by the Oklahoma Tax Commission to
5 the Statewide Circuit Engineering District Revolving
6 Fund as created in Section 687.2 of Title 69 of the
7 Oklahoma Statutes;

8 7. For all monies collected from the tax levied on oil at a tax
9 rate of four percent (4%) pursuant to the provisions of subsections
10 B, ~~and E~~ and G of Section 1001 of this title:

11 a. there shall be apportioned from the gross production
12 tax levy imposed pursuant to Section 1001 of this
13 title on oil to the Revenue Stabilization Fund created
14 by Section 34.102 of Title 62 of the Oklahoma
15 Statutes, after the applicable maximum amount
16 prescribed by subsection C of this section has been
17 deposited to the funds therein specified, the amount
18 of revenue, if any, which would otherwise be
19 apportioned to the General Revenue Fund and which
20 exceeds the moving five-year average amount for oil as
21 defined pursuant to paragraph 2 of subsection A of
22 this section,

23 b. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twenty-two and one-

1 half percent (22.5%) shall be paid to the State
2 Treasurer to be placed in the Common Education
3 Technology Revolving Fund created in Section 34.90 of
4 Title 62 of the Oklahoma Statutes,

5 c. before any other apportionment of revenue has been
6 made pursuant to this paragraph, twenty-two and one-
7 half percent (22.5%) shall be paid to the State
8 Treasurer to be placed in the Higher Education Capital
9 Revolving Fund created in Section 34.91 of Title 62 of
10 the Oklahoma Statutes,

11 d. before any other apportionment of revenue has been
12 made pursuant to this paragraph, twenty-two and one-
13 half percent (22.5%) shall be paid to the State
14 Treasurer to be placed in the Oklahoma Student Aid
15 Revolving Fund created in Section 34.92 of Title 62 of
16 the Oklahoma Statutes,

17 e. before any other apportionment of revenue has been
18 made pursuant to this paragraph, three and twenty-
19 eight one-hundredths percent (3.28%) shall be
20 distributed to the various counties of the state for
21 deposit into the County Bridge and Road Improvement
22 Fund of each county based on a formula developed by
23 the Department of Transportation and approved by the
24 Department of Transportation County Advisory Board

1 created pursuant to Section 302.1 of Title 69 of the
2 Oklahoma Statutes to be used for the purposes set
3 forth in the County Bridge and Road Improvement Act.
4 The formula shall be similar to the formula currently
5 used for the distribution of monies in the County
6 Bridge Program funds, but shall also take into
7 consideration the effect of the terrain and traffic
8 volume as related to county road improvement and
9 maintenance costs,

10 f. before any other apportionment of revenue has been
11 made pursuant to this paragraph, three and seventy-
12 five one-hundredths percent (3.75%) shall be paid to
13 the State Treasurer to be apportioned to:

14 (1) the following sources and in the following
15 amounts through the fiscal year ending June 30,
16 2019:

17 (a) thirty-three and one-third percent (33 1/3%)
18 to the Oklahoma Tourism and Recreation
19 Department Capital Expenditure Revolving
20 Fund created pursuant to Section 2254.1 of
21 Title 74 of the Oklahoma Statutes,

22 (b) thirty-three and one-third percent (33 1/3%)
23 to the Oklahoma Conservation Commission
24 Infrastructure Revolving Fund created

1 pursuant to Section 3-2-110 of Title 27A of
2 the Oklahoma Statutes, and

3 (c) thirty-three and one-third percent (33 1/3%)
4 to the Community Water Infrastructure
5 Development Revolving Fund created pursuant
6 to Section 1085.7A of Title 82 of the
7 Oklahoma Statutes, and

8 (2) the Oklahoma Water Resources Board Rural Economic
9 Action Plan Water Projects Fund for the fiscal
10 year beginning July 1, 2019, and for each fiscal
11 year thereafter,

12 g. before any other apportionment of revenue has been
13 made pursuant to this paragraph, twelve and one-half
14 percent (12.5%) of the sum collected from oil shall be
15 paid to the various county treasurers, to be credited
16 to the County Highway Fund as follows: Each county
17 shall receive a proportionate share of the funds
18 available based upon the proportion of the total value
19 of production from such county in the corresponding
20 month of the preceding year,

21 h. before any other apportionment of revenue has been
22 made pursuant to this paragraph, twelve and one-half
23 percent (12.5%) shall be allocated to each county as
24 provided in subparagraph g of this paragraph and shall

1 be apportioned on an average daily attendance per
2 capita distribution basis, as certified by the State
3 Superintendent of Public Instruction, to the school
4 districts of the county where such pupils attend
5 school regardless of residence of such pupil, provided
6 the school district makes an ad valorem tax levy of
7 fifteen (15) mills for the current year and maintains
8 twelve (12) years of instruction, and

- 9 i. before any other apportionment of revenue has been
10 made pursuant to this paragraph, forty-seven one-
11 hundredths percent (0.47%) of the levy shall be
12 transmitted by the Tax Commission to the Statewide
13 Circuit Engineering District Revolving Fund as created
14 in Section 687.2 of Title 69 of the Oklahoma Statutes;

15 8. For all monies collected from the tax levied on oil at a tax
16 rate of one percent (1%) pursuant to the provisions of subsection B
17 of Section 1001 of this title:

- 18 a. fifty percent (50%) of the sum collected shall be paid
19 to the various county treasurers, to be credited to
20 the County Highway Fund as follows: Each county shall
21 receive a proportionate share of the funds available
22 based upon the proportion of the total value of
23 production from such county in the corresponding month
24 of the preceding year, and

1 b. fifty percent (50%) shall be allocated to each county
2 as provided for in subparagraph a of this paragraph
3 and shall be apportioned on an average daily
4 attendance per capita distribution basis, as certified
5 by the State Superintendent of Public Instruction, to
6 the school districts of the county where such pupils
7 attend school regardless of residence of such pupil,
8 provided the school district makes an ad valorem tax
9 levy of fifteen (15) mills for the current year and
10 maintains twelve (12) years of instruction;

11 9. For all monies collected from the tax levied on oil at a tax
12 rate of two percent (2%) pursuant to the provisions of subparagraph
13 c of paragraph 3 of subsection B of Section 1001 of this title:

14 a. there shall be apportioned from the gross production
15 tax levy imposed pursuant to Section 1001 of this
16 title on oil to the Revenue Stabilization Fund created
17 by Section 34.102 of Title 62 of the Oklahoma
18 Statutes, the amount of revenue, if any, which exceeds
19 the moving five-year average amount for oil as defined
20 pursuant to paragraph 2 of subsection A of this
21 section,

22 b. until the apportionment to the General Revenue Fund
23 equals the moving five-year average amount for oil as
24 prescribed by paragraph 2 of subsection A of this

1 section, fifty percent (50%) shall be paid to the
2 State Treasurer to be placed in the General Revenue
3 Fund of the state and used for the general expense of
4 state government, to be paid out pursuant to direct
5 appropriation by the Legislature,

6 c. before any other apportionment of revenue has been
7 made pursuant to this paragraph, twenty-five percent
8 (25%) of the sum collected from oil shall be paid to
9 the various county treasurers, to be credited to the
10 County Highway Fund as follows: Each county shall
11 receive a proportionate share of the funds available
12 based upon the proportion of the total value of
13 production from such county in the corresponding month
14 of the preceding year, and

15 d. before any other apportionment of revenue has been
16 made pursuant to this paragraph, twenty-five percent
17 (25%) shall be allocated to each county as provided in
18 subparagraph c of this paragraph and shall be
19 apportioned on an average daily attendance per capita
20 distribution basis, as certified by the State
21 Superintendent of Public Instruction, to the school
22 districts of the county where such pupils attend
23 school regardless of residence of such pupil, provided
24 the school district makes an ad valorem tax levy of

1 fifteen (15) mills for the current year and maintains
2 twelve (12) years of instruction.

3 C. Provided, notwithstanding any other provision of this
4 section, the total amounts deposited to the Common Education
5 Technology Revolving Fund, the Higher Education Capital Revolving
6 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
7 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
8 Department Capital Expenditure Revolving Fund, the Oklahoma
9 Conservation Commission Infrastructure Revolving Fund and the
10 Community Water Infrastructure Development Revolving Fund pursuant
11 to paragraphs 6 and 7 of subsection B of this section shall not
12 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any
13 fiscal year. Except as otherwise provided in this subsection, all
14 sums in excess of One Hundred Fifty Million Dollars
15 (\$150,000,000.00) in any fiscal year which would otherwise be
16 deposited in such funds shall be apportioned by the Oklahoma Tax
17 Commission to the General Revenue Fund of the state.

18 SECTION 13. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 6201 of Title 68, unless there
20 is created a duplication in numbering, reads as follows:

21 Sections 13 through 20 of this act shall be known and may be
22 cited as the "Oklahoma Zero-Emission Facility Energy Tax Act of
23 2018".
24

1 SECTION 14. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6202 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

4 As required by Section 19 of Article X of the Oklahoma
5 Constitution, the purpose of the levy imposed pursuant to the
6 provisions of this act is to provide revenue for general government
7 functions.

8 SECTION 15. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 6203 of Title 68, unless there
10 is created a duplication in numbering, reads as follows:

11 As used in this act:

12 1. "Commercial wind turbine" means a device manufactured for
13 the purpose of producing electric power by means of wind energy and
14 which converts the energy from naturally occurring winds into
15 mechanical energy through the rotation of blades or rotors and the
16 production of an electric current and which has a nameplate capacity
17 of more than fifty kilowatts (50 kw); and

18 2. "Manufacturer nameplate capacity" means the maximum amount
19 of electric power capable of being produced by a commercial wind
20 turbine according to information affixed to a wind turbine or its
21 associated structures and which nameplate is installed or affixed by
22 the business entity which manufactured the wind turbine.

23
24

1 SECTION 16. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6204 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby levied upon the production of electricity by
5 each commercial wind turbine in this state which is a zero-emission
6 facility, and any other zero-emission facility as defined by Section
7 2357.32A of Title 68 of the Oklahoma Statutes, a tax of One Dollar
8 (\$1.00) for each megawatt hour, or portion thereof, which is
9 produced in this state from and after the effective date of this
10 section. The tax shall be paid by the person or entity producing
11 such electricity from a commercial wind turbine or other zero-
12 emission facility as defined by Section 2357.32A of Title 68 of the
13 Oklahoma Statutes.

14 B. The tax levied pursuant to this section is in addition to,
15 and is not in lieu of, any other taxes or fees currently levied or
16 assessed, or levied or assessed in the future, on each commercial
17 wind turbine in the state which is a zero-emission facility, or any
18 other zero-emission facility as defined by Section 2357.32A of Title
19 68 of the Oklahoma Statutes including, but not limited to, ad
20 valorem taxes.

21 SECTION 17. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 6205 of Title 68, unless there
23 is created a duplication in numbering, reads as follows:

24

1 A. No wind turbine with a nameplate capacity of less than fifty
2 kilowatts (50 kw) shall be subject to the tax imposed pursuant to
3 the provisions of Section 16 of this act.

4 B. No wind turbine located on the private property of one or
5 more natural persons which is attached to a single-family
6 residential dwelling or located in close proximity to the single-
7 family residential dwelling and used, in whole or in part, to supply
8 electric power to the dwelling and its occupants shall be subject to
9 the tax imposed pursuant to Section 16 of this act if the wind
10 turbine has a manufacturer nameplate capacity of less than fifty
11 kilowatts (50 kw).

12 C. No wind turbine located on the property of a for-profit
13 business entity, other than a business entity engaged in the
14 production of electric power by wind and having the North American
15 Industry Classification Code (NAICS) 221115, which is attached to
16 improvements used by the business entity to conduct its primary
17 business activity or in close proximity to such improvements and the
18 electric power from which is used, in whole or in part, by the
19 business entity to conduct its for-profit business activity shall be
20 subject to the tax imposed pursuant to the provisions of Section 16
21 of this act if the wind turbine has a nameplate capacity of less
22 than fifty kilowatts (50 kw).

23
24

1 SECTION 18. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6206 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

4 The tax imposed pursuant to the provisions of this act shall be
5 remitted by the owner of the commercial wind turbine or other zero-
6 emission facility as defined by Section 2357.32A of Title 68 of the
7 Oklahoma Statutes. The tax shall be remitted monthly and shall be
8 due not later than the twentieth day of the month following the
9 month during which electric power was produced. The tax shall be
10 remitted to the Oklahoma Tax Commission on such form as the Tax
11 Commission may prescribe for such purpose.

12 SECTION 19. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 6207 of Title 68, unless there
14 is created a duplication in numbering, reads as follows:

15 If not paid by the delinquent date, there shall be imposed a
16 penalty equal to ten percent (10%) of the principal amount of tax
17 due and owing and interest computed as provided in Section 217 of
18 Title 68 of the Oklahoma Statutes until the accrued liability is
19 paid.

20 SECTION 20. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 6208 of Title 68, unless there
22 is created a duplication in numbering, reads as follows:

23 All revenues derived from the tax imposed pursuant to the
24 provisions of the Oklahoma Zero-Emission Facility Energy Tax Act of

1 2018 shall be apportioned to the General Revenue Fund of the State
2 Treasury.

3 SECTION 21. REPEALER 68 O.S. 2011, Section 402-2, is
4 hereby repealed.

5 SECTION 22. While considered in the Legislature as a revenue-
6 raising measure, on final passage this measure received a majority
7 vote of those elected to and constituting the Oklahoma House of
8 Representatives, but failed to receive three-fourths (3/4) majority
9 approval of the membership of the Oklahoma House of Representatives
10 as required by Article V, Section 33 of the Oklahoma Constitution
11 for presentation to the Governor rather than referral to a vote of
12 the people at the next General Election. Pursuant to Article V,
13 Section 33 of the Oklahoma Constitution there is hereby ordered a
14 referendum which shall be filed with the Secretary of State and
15 addressed to the Governor of the State, who shall submit the same to
16 the people for their approval or rejection at the next General
17 Election.

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1 Passed the House of Representatives the 12th day of February,
2018.

4 _____
Presiding Officer of the House
of Representatives

6 Passed the Senate the ___ day of _____, 2018.

8 _____
Presiding Officer of the Senate