

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1348

By: Fetgatter of the House

and

**Rader** of the Senate

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10                                   COMMITTEE SUBSTITUTE

11                   An Act relating to heavy equipment rentals; defining  
12 terms; authorizing imposition of recovery fee with  
13 respect to heavy equipment; requiring retention of  
14 fee; specifying purpose of fee; providing certain  
15 transactions exempt from fee requirement; requiring  
16 report to Oklahoma Tax Commission related to payment  
of personal property taxes; providing for payment of  
certain fee amount to General Revenue Fund;  
prohibiting imposition of sales tax on recovery fee  
amounts; providing for codification; providing an  
effective date; and declaring an emergency.

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

20                   SECTION 1.           NEW LAW           A new section of law to be codified  
21 in the Oklahoma Statutes as Section 2807.10 of Title 68, unless  
22 there is created a duplication in numbering, reads as follows:

23                   As used in this act:  
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1 1. "Heavy equipment property" includes all rental property  
2 owned or held by a rental business classified under Industry Code  
3 No. "532412" or "532310" of the 2017 North American Industry  
4 Classification System as published by the United States Bureau of  
5 the Census;

6 2. "Primarily" means more than fifty-one percent (51%) of the  
7 annual revenue of the business is derived from the rental of  
8 personal property; and

9 3. "Rental charge" is defined as the charge of the rental and  
10 does not include any other costs such as pickup and delivery, fuel  
11 or damage waiver.

12 SECTION 2. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 2807.11 of Title 68, unless  
14 there is created a duplication in numbering, reads as follows:

15 A. Except as provided in subsection B of this section, a  
16 company primarily in the business of renting heavy equipment  
17 property located in this state may include as a separate line item  
18 on the rental invoice a recovery fee of one and one-quarter percent  
19 (1.25%) on the rental charge from any item of heavy equipment  
20 property rental by a customer. The total amount of the recovery fee  
21 shall be retained by the business for the purposes of paying  
22 personal property taxes levied by all taxing jurisdictions against  
23 the heavy equipment property located in the state.

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1 B. Notwithstanding the provisions of subsection A of this  
2 section, the recovery fee provided in this section shall not apply  
3 to the rental of heavy equipment property to the federal government,  
4 any federally recognized Indian tribe, or the State of Oklahoma, any  
5 municipality or any county. There shall not be any other exemptions  
6 from the recovery fee.

7 SECTION 3. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 2807.12 of Title 68, unless  
9 there is created a duplication in numbering, reads as follows:

10 The recovery fee shall not be subject to state or local sales  
11 tax.

12 SECTION 4. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 2807.13 of Title 68, unless  
14 there is created a duplication in numbering, reads as follows:

15 Annually, on or before February 15 each rental business that  
16 collects the equipment rental recovery fee shall be required to  
17 submit to the Tax Commission a consolidated report showing the  
18 aggregated personal property taxes paid in the state during the  
19 previous calendar year and the aggregated recovery collections in  
20 the state. If the aggregated recovery collections in the state  
21 exceed the aggregated taxes paid in the state, the excess shall be  
22 paid to the General Revenue Fund.

23 SECTION 5. This act shall become effective July 1, 2023.

24 SECTION 6. It being immediately necessary for the preservation

1 of the public peace, health or safety, an emergency is hereby  
2 declared to exist, by reason whereof this act shall take effect and  
3 be in full force from and after its passage and approval.

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5 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 03/01/2023 - DO PASS,  
6 As Amended and Coauthored.

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