

1 **SENATE FLOOR VERSION**

2 April 10, 2023

3 **AS AMENDED**

4 ENGROSSED HOUSE

5 BILL NO. 1348

6 By: Fetgatter of the House

7 and

8 Rader of the Senate

9 [ heavy equipment rentals - recovery fee - report to  
10 Oklahoma Tax Commission - General Revenue Fund -  
11 sales tax on recovery fee amounts - codification ]

12 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

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

16 As used in this act:

17 1. "Heavy equipment property" includes all rental property  
18 owned or held by a rental business classified under Industry Code  
19 No. "532412" or "532310" of the 2017 North American Industry  
20 Classification System as published by the United States Bureau of  
21 the Census;

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

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

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

7        A. Except as provided in subsection B of this section, a  
8 company primarily in the business of renting heavy equipment  
9 property located in this state may include as a separate line item  
10 on the rental invoice a recovery fee of one and one-quarter percent  
11 (1.25%) on the rental charge from any item of heavy equipment  
12 property rental by a customer. The total amount of the recovery fee  
13 shall be retained by the business for the purposes of paying  
14 personal property taxes levied by all taxing jurisdictions against  
15 the heavy equipment property located in the state.

16        B. Notwithstanding the provisions of subsection A of this  
17 section, the recovery fee provided in this section shall not apply  
18 to the rental of heavy equipment property to the federal government,  
19 any federally recognized Indian tribe, the State of Oklahoma, any  
20 municipality or any county of this state. There shall not be any  
21 other exemptions from the recovery fee.

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

1 The recovery fee shall not be subject to state or local sales  
2 tax.

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

6 Annually, on or before February 15, each rental business that  
7 collects the equipment rental recovery fee shall be required to  
8 submit to the Tax Commission a consolidated report showing the  
9 aggregated personal property taxes paid in the state during the  
10 previous calendar year and the aggregated recovery collections in  
11 the state. If the aggregated recovery collections in the state  
12 exceed the aggregated taxes paid in the state, the excess shall be  
13 paid to the General Revenue Fund.

14 COMMITTEE REPORT BY: COMMITTEE ON FINANCE  
15 April 10, 2023 - DO PASS AS AMENDED  
16  
17  
18  
19  
20  
21  
22  
23  
24