

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2234

By: Hilbert, Roberts (Dustin),
Hill, Frix, Fetgatter,
7 **Marti, Moore, Pae, Davis,**
8 **Boles** and **Burns** of the
9 House

and

Taylor of the Senate

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12 COMMITTEE SUBSTITUTE

13 An Act relating to revenue and taxation; enacting the
14 Driving on Road Infrastructure with Vehicles of
15 Electricity (DRIVE) Act of 2021; defining terms;
16 stating purpose of tax pursuant to Section 19 of
17 Article X of the Oklahoma Constitution; imposing tax
18 levy on certain transfer of electric power to
19 electric vehicles; providing for rate of tax;
20 providing exemption from tax on charging electric
21 vehicles at certain locations; providing for first
22 date of tax levy; restricting imposition of tax on
23 certain fees or charges; requiring charging stations
24 to make certain disclosures; prescribing requirements
 related to remittance of tax; imposing due date;
 requiring separate statement of tax on billing or
 invoices; providing exemption from tax for certain
 charging stations; providing for apportionment of
 revenue to the Driving on Road Infrastructure with
 Vehicles of Electricity (DRIVE) Revolving Fund;
 requiring registration of charging stations; imposing
 time limit for registration; imposing requirements
 for metering systems; authorizing Oklahoma Tax
 Commission to make inspections of charging stations;
 prescribing penalty for failure to remit tax;

1 providing for inspections by Oklahoma Corporation
Commission; authorizing administrative rules;
2 providing for penalties; providing for apportionment
of penalty amounts; providing for income tax credit
3 for electric vehicle charging taxes paid for electric
vehicle; imposing limit on credit amount based on
4 registration fees paid; prohibiting use of credit to
reduce tax liability amount to less than zero;
5 providing for carryover; providing for additional
vehicle registration fees for electric vehicles;
6 providing for computation of registration fee
amounts; requiring publication of fee amounts on
7 agency website and in certain publications; providing
for apportionment of fee revenues; creating the
8 Driving on Road Infrastructure with Vehicles of
Electricity (DRIVE) Revolving Fund; providing for
9 apportionment of revenues to fund; providing for
expenditure of funds; amending 47 O.S. 2011, Section
10 1141.1, as amended by Section 4, Chapter 158, O.S.L.
2012 (47 O.S. Supp. 2020, Section 1141.1), which
11 relates to motor license agents; providing for
retention of certain amount with respect to electric
12 vehicles; amending 68 O.S. 2011, Section 1355, as
last amended by Section 1, Chapter 356, O.S.L. 2017
13 (68 O.S. Supp. 2020, Section 1355), which relates to
payment of taxes in lieu of sales tax; providing tax
14 on electricity transfers in lieu of state and local
sales tax; providing for codification; and providing
15 an effective date.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 6501 of Title 68, unless there
21 is created a duplication in numbering, reads as follows:

22 This act shall be known and may be cited as the "Driving on Road
23 Infrastructure with Vehicles of Electricity (DRIVE) Act of 2021".
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1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6502 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

4 As used in this act:

5 1. "Charging station" means equipment by which electric current
6 is transferred to the power system of an electric vehicle together
7 with the real property upon which such equipment is located or
8 affixed;

9 2. "Charging station operator" means any person, firm, general
10 partnership, limited partnership, limited liability partnership,
11 corporation, limited liability company or any other lawfully
12 recognized business entity that owns or operates or owns and
13 operates a charging station in the state;

14 3. "Electric vehicle" means a 100%-electric or plug-in hybrid
15 electric motor vehicle with the following characteristics:

16 a. a 100%-electric motor vehicle originally equipped so
17 that the vehicle:

18 (1) draws propulsion energy solely from a battery
19 with at least twenty (20) kilowatt hours of
20 capacity, which can be recharged from any
21 external source of electricity,

22 (2) is manufactured primarily for use on public
23 streets, roads and highways, but does not include
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1 a vehicle operated exclusively on a rail or
2 rails, and

3 (3) which has at least four wheels,

4 b. a plug-in hybrid electric motor vehicle which is
5 originally equipped so that the vehicle:

6 (1) draws propulsion energy from:

7 (a) an internal combustion engine, and

8 (b) a battery with at least five (5) kilowatt
9 hours of capacity, which can be recharged
10 from an external source of electricity,

11 (2) is manufactured primarily for use on public
12 streets, roads and highways, but does not include
13 a vehicle operated exclusively on a rail or
14 rails, and

15 (3) which has at least four wheels,

16 c. for purposes of this paragraph, the term "electric
17 vehicle" does not include a vehicle that is
18 manufactured primarily for off-road use, such as
19 primarily for use on a golf course, and that has a
20 maximum speed of thirty (30) miles per hour or less;

21 4. "Legacy chargers" means charging stations in operation prior
22 to November 1, 2021, that have never had a metering system in place
23 capable of measuring electricity transferred from the charging
24 station to the vehicle or are incapable of measuring the time

1 elapsed while actively charging a vehicle, and placing a fee on the
2 charging session; and

3 5. "Public charging station" means a location at which a
4 charging station owner or operator conducts for-profit business
5 using a metered system for the delivery of electric power to an
6 electric vehicle and charges the customer either for the electricity
7 transferred to the power system of the vehicle or for the duration
8 of time during which electricity is transferred to the power system
9 of the vehicle.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 6503 of Title 68, unless there
12 is created a duplication in numbering, reads as follows:

13 Pursuant to the requirement of Section 19 of Article X of the
14 Oklahoma Constitution, the purpose of the tax imposed pursuant to
15 the provisions of this act is to provide revenue for general
16 government expenditures.

17 SECTION 4. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 6504 of Title 68, unless there
19 is created a duplication in numbering, reads as follows:

20 A. There is hereby imposed a tax of three cents (\$0.03) per
21 kilowatt hour or its equivalent, as determined by the Oklahoma Tax
22 Commission, on the electric current used to charge or recharge the
23 battery or batteries of an electric vehicle. The tax shall be
24 levied beginning January 1, 2023.

1 B. The amount of tax prescribed or authorized by this section
2 shall not include any fees or charges associated with the method for
3 payment for the charging service, but shall be based only upon the
4 rate of tax and the electricity transferred during the charging
5 process.

6 C. The tax imposed pursuant to this section shall not be
7 applicable to electric vehicles charged at a private residence at
8 which the owner or occupant of the residence uses electric power
9 paid for by the owner or occupant of the residence which is supplied
10 to the residence by a regulated public utility, an electric
11 cooperative or other wholesale level of electric supply, whether or
12 not supplemented by electric power produced by the owner or occupant
13 using solar energy or other methods to provide electric power to the
14 residence.

15 SECTION 5. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 6505 of Title 68, unless there
17 is created a duplication in numbering, reads as follows:

18 A charging station operator shall make a full and conspicuous
19 disclosure at the site of the charging station and on the website
20 maintained by or on behalf of the owner or operator, if applicable,
21 or on a mobile software application for use on a cell phone, tablet
22 or similar handheld device of the rate at which the owner or
23 operator charges for electric power transferred to an electric
24 vehicle.

1 SECTION 6. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6506 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The tax imposed pursuant to the provisions of Section 4 of
5 this act shall be remitted monthly by each charging station owner or
6 operator. The tax shall be remitted using such forms as the
7 Oklahoma Tax Commission may prescribe for that purpose.

8 B. The tax and any required report shall be filed with the Tax
9 Commission not later than the twentieth day of the month following
10 the month during which the electric charging for an electric vehicle
11 occurred.

12 C. The charging station owner or operator shall separately
13 state on any invoice or billing document provided to the customer
14 the amount of the tax imposed pursuant to Section 4 of this act and
15 shall not include the tax amount in the total amount billed to the
16 customer.

17 D. The provisions of this section shall not prohibit a charging
18 station owner or operator from imposing a fee or charge in addition
19 to the kilowatt hour or other equivalent unit of measurement for the
20 transfer of electric power to an electric vehicle.

21 E. Legacy chargers shall be exempt from remitting the tax
22 levied in this section until November 1, 2041.

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1 F. Public charging stations that have never charged a fee for
2 their use shall be exempt from remitting the tax levied in this
3 section until November 1, 2041.

4 SECTION 7. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 6507 of Title 68, unless there
6 is created a duplication in numbering, reads as follows:

7 The revenue derived from the tax levy imposed pursuant to the
8 provisions of Section 4 of this act shall be apportioned to the
9 Driving on Road Infrastructure with Vehicles of Electricity (DRIVE)
10 Revolving Fund created pursuant to Section 12 of this act.

11 SECTION 8. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 6508 of Title 68, unless there
13 is created a duplication in numbering, reads as follows:

14 A. All charging stations in operation prior to the effective
15 date of this act shall register with the Oklahoma Tax Commission not
16 later than January 31, 2023. The Oklahoma Tax Commission shall
17 provide or make available updated registration information to the
18 Oklahoma Corporation Commission.

19 B. For a charging station which begins operations for the first
20 time on or after November 1, 2021, the charging station owner or
21 operator shall register with the Oklahoma Tax Commission not later
22 than fifteen (15) days after the date as of which the first business
23 operations at the station site begin or by January 31, 2023,
24 whichever is later.

1 C. Any public charging station for an electric vehicle
2 constructed or which begins operations for the first time on or
3 after November 1, 2021, shall use a metering system that is capable
4 of imposing the cost for the charging service using a unit per
5 kilowatt hour or a comparable measurement as determined by the Tax
6 Commission, such as time elapsed while charging and the charging
7 capacity of the charging station. The metering system shall include
8 a system by which an audit of the electricity supplied through the
9 system may be performed to determine the amount of electricity
10 transferred to a customer and the cost charged by the charging
11 station owner or operator for each unit of electricity transferred.

12 D. The Oklahoma Tax Commission shall have the authority to
13 inspect the premises and equipment of any charging station owner or
14 operator to enforce compliance with the provisions of this section.

15 E. If a charging station owner or operator fails to remit the
16 tax as required by the provisions of this act, the Oklahoma Tax
17 Commission shall begin proceedings to terminate the charging station
18 owner or operator license to do business for failure to remit in the
19 same manner as prescribed by law for failure to remit sales tax.

20 SECTION 9. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 6509 of Title 68, unless there
22 is created a duplication in numbering, reads as follows:

23 A. The Oklahoma Corporation Commission shall have the authority
24 to require the inspection of the premises and equipment of any

1 charging station owner or operator to enforce compliance with the
2 provisions of this section.

3 B. The Corporation Commission shall have authority to:

4 1. Require periodic third-party testing, calibration and
5 inspection reports and require that those reports be submitted to
6 the Corporation Commission;

7 2. Promulgate rules as necessary to implement the provisions of
8 this section and to set fees necessary to carry out the duties and
9 responsibilities of the Commission pursuant to this act; and

10 3. Assess to charging station operators the costs of any
11 proceeding instituted by the Commission to enforce testing,
12 calibration and inspection report requirements.

13 C. If a charging station operator fails to meet the
14 requirements of this section or any rules promulgated to implement
15 the requirements of this section, the charging station operator
16 shall be subject to an administrative penalty from the Corporation
17 Commission not to exceed Five Hundred Dollars (\$500.00) per day, per
18 violation as provided by law.

19 D. All fees, fines or assessments collected through the
20 provisions of this section shall be deposited into the Oklahoma
21 Corporation Commission Revolving Fund.

22 SECTION 10. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 6510 of Title 68, unless there
24 is created a duplication in numbering, reads as follows:

1 A. As used in this section, "qualified electric vehicle" means
2 a 100%-electric or plug-in hybrid electric motor vehicle with the
3 following characteristics:

4 1. A 100%-electric motor vehicle originally equipped so that
5 the vehicle:

6 a. draws propulsion energy solely from a battery with at
7 least twenty (20) kilowatt hours of capacity, which
8 can be recharged from any external source of
9 electricity,

10 b. is manufactured primarily for use on public streets,
11 roads and highways, but does not include a vehicle
12 operated exclusively on a rail or rails, and

13 c. which has at least four wheels;

14 2. A plug-in hybrid electric motor vehicle which is originally
15 equipped so that the vehicle:

16 a. draws propulsion energy from:

17 (1) an internal combustion engine, and

18 (2) a battery with at least five (5) kilowatt hours
19 of capacity, which can be recharged from an
20 external source of electricity,

21 b. is manufactured primarily for use on public streets,
22 roads and highways, but does not include a vehicle
23 operated exclusively on a rail or rails, and

24 c. which has at least four wheels;

1 3. For purposes of this paragraph, the term "qualified 100%-
2 electric and plug-in hybrid electric motor vehicle" does not include
3 a vehicle that is manufactured primarily for off-road use, such as
4 primarily for use on a golf course, and that has a maximum speed of
5 thirty (30) miles per hour or less.

6 B. For taxable years beginning after December 31, 2021, there
7 shall be allowed as a credit against the tax imposed pursuant to
8 Section 2355 of Title 68 of the Oklahoma Statutes in the amount of
9 electric vehicle charging taxes paid by an individual or lawfully
10 recognized entity pursuant to Section 4 of this act.

11 C. With respect to a natural person filing either a single
12 status income tax return or persons filing a married status joint
13 return, the amount of the credit otherwise authorized by this
14 section shall not exceed the total amount of registration fees for
15 electric vehicles paid by the person or persons during the taxable
16 year for which the tax credit is claimed.

17 D. With respect to a taxpayer that is not a natural person, the
18 amount of the credit otherwise authorized by this section shall not
19 exceed the total amount of registration fees for electric vehicles
20 paid by the taxpayer during the taxable year for which the tax
21 credit is claimed.

22 E. The credit authorized by the provisions of this section
23 shall not be used to reduce the tax liability to less than zero (0).
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1 F. To the extent not used, the credit authorized by the
2 provisions of this section may be carried over, in order, to each of
3 the five (5) succeeding taxable years.

4 SECTION 11. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 6511 of Title 68, unless there
6 is created a duplication in numbering, reads as follows:

7 A. In addition to the registration fees required pursuant to
8 the provisions of Section 1132 of Title 47 of the Oklahoma Statutes,
9 at the time of initial and renewal registration for any electric
10 vehicle, there shall be an additional fee based on the weight of the
11 electric vehicle as provided by subsections B and C of this section.

12 B. As used in subsections C and D of this section:

13 1. Class 1 vehicle means one having a gross weight of less than
14 six thousand (6,000) pounds;

15 2. Class 2 vehicle means one having a gross weight of at least
16 six thousand (6,000) pounds but not greater than ten thousand
17 (10,000) pounds;

18 3. Class 3, 4, 5 and 6 vehicle means one having a gross weight
19 of greater than ten thousand (10,000) pounds but not greater than
20 twenty-six thousand (26,000) pounds; and

21 4. Class 7 and 8 vehicle means one having a gross weight in
22 excess of twenty-six thousand (26,000) pounds.

23 C. The annual registration fee for electric vehicles other than
24 plug-in hybrid electric vehicles shall be as follows:

1 1. One Hundred Ten Dollars (\$110.00) for Class 1 vehicles;

2 2. One Hundred Fifty-eight Dollars (\$158.00) for Class 2
3 vehicles;

4 3. Three Hundred Sixty-three Dollars (\$363.00) for Class 3, 4,
5 5 and 6 vehicles; and

6 4. Two Thousand Two Hundred Fifty Dollars (\$2,250.00) for Class
7 7 and 8 vehicles.

8 D. The registration fee for a plug-in hybrid vehicle shall be
9 as follows:

10 1. Eighty-two Dollars (\$82.00) for Class 1 vehicles;

11 2. One Hundred Eighteen Dollars (\$118.00) for Class 2 vehicles;

12 3. Two Hundred Seventy-two Dollars (\$272.00) for Class 3, 4, 5
13 and 6 vehicles; and

14 4. One Thousand Six Hundred Eighty-seven Dollars (\$1,687.00)
15 for Class 7 and 8 vehicles.

16 E. Until July 1, 2027, the revenues derived from the fees
17 imposed pursuant to the provisions of this section shall be
18 apportioned to the Driving on Road Infrastructure with Vehicles of
19 Electricity (DRIVE) Revolving Fund created pursuant to Section 12 of
20 this act.

21 F. Beginning July 1, 2027, the revenues derived from the fees
22 imposed pursuant to the provisions of this section shall be
23 apportioned as follows:

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1 1. Eighty-five percent (85%) shall be apportioned to the
2 Driving on Road Infrastructure with Vehicles of Electricity (DRIVE)
3 Revolving Fund created pursuant to Section 12 of this act; and

4 2. Fifteen percent (15%) shall be apportioned to the various
5 counties of the state. The Oklahoma Tax Commission shall distribute
6 such funds monthly to each county treasurer in the same manner as
7 monies are apportioned under the provisions of subparagraph b of
8 paragraph 4 of subsection A of Section 500.6 of Title 68 of the
9 Oklahoma Statutes. Each county treasurer shall deposit such funds
10 to the county's county highway fund and such funds shall be used for
11 maintenance and operations.

12 SECTION 12. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 6512 of Title 68, unless there
14 is created a duplication in numbering, reads as follows:

15 There is hereby created in the State Treasury a revolving fund
16 for the Oklahoma Tax Commission to be designated the "Driving on
17 Road Infrastructure with Vehicles of Electricity (DRIVE) Revolving
18 Fund". The fund shall be a continuing fund, not subject to fiscal
19 year limitations, and shall consist of all monies received by the
20 Oklahoma Tax Commission from sources provided by law. All monies
21 accruing to the credit of said fund are hereby appropriated and may
22 be budgeted and expended by the Oklahoma Tax Commission for the
23 purpose of administering the provisions of this act. Expenditures
24 from said fund shall be made upon warrants issued by the State

1 Treasurer against claims filed as prescribed by law with the
2 Director of the Office of Management and Enterprise Services for
3 approval and payment.

4 SECTION 13. AMENDATORY 47 O.S. 2011, Section 1141.1, as
5 amended by Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2020,
6 Section 1141.1), is amended to read as follows:

7 Section 1141.1 A. Each motor license agent shall be entitled
8 to retain the following amounts from the taxes and fees collected by
9 such agent to be used to fund the operation of the office of such
10 motor license agent subject to the provisions of Sections 1140
11 through 1147 of this title:

12 1. Beginning July 1, 2005, Two Dollars and eighty-one cents
13 (\$2.81) for each vehicle registered and for each special license
14 plate issued pursuant to the Oklahoma Vehicle License and
15 Registration Act. Beginning July 1, 2006, and thereafter, Three
16 Dollars and fifty-six cents (\$3.56) for each vehicle registered and
17 for each special license plate issued pursuant to the Oklahoma
18 Vehicle License and Registration Act;

19 2. One Dollar and twenty-five cents (\$1.25) for each
20 certificate of title issued for boats and motors pursuant to the
21 Oklahoma Statutes;

22 3. For each certificate of registration issued for boats and
23 motors pursuant to the Oklahoma Statutes, an amount determined
24 pursuant to the provisions of subsection B of this section;

1 4. Two Dollars and twenty-five cents (\$2.25) for each
2 certificate of title issued pursuant to the Oklahoma Vehicle License
3 and Registration Act. Provided, the fee retention amount for
4 certificates of title issued pursuant to the provisions of
5 subsection H of Section 1105 of this title, in which an insurer pays
6 the optional twenty-two-dollar-fee amount, is Four Dollars and fifty
7 cents (\$4.50);

8 5. Beginning October 1, 2000, three percent (3%) of the vehicle
9 excise tax collected pursuant to Section 2103 of Title 68 of the
10 Oklahoma Statutes. Beginning July 1, 2001, each motor license agent
11 shall be entitled to retain three and one hundred twenty-five one-
12 thousandths percent (3.125%) of the vehicle excise tax collected
13 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.
14 Beginning July 1, 2002, and for all subsequent years, each motor
15 license agent shall be entitled to retain three and twenty-five one-
16 hundredths percent (3.25%) of the vehicle excise tax collected
17 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.
18 However, beginning July 1, 2003, the Legislature shall annually
19 review the percentage to be retained by the motor license agents
20 pursuant to this paragraph to determine whether such percentage
21 should be adjusted;

22 6. Four percent (4%) of the excise tax collected on the
23 transfer of boats and motors pursuant to the Oklahoma Statutes;
24

1 7. Two Dollars (\$2.00) for each driver license, endorsement,
2 identification license, or renewal or duplicate issued pursuant to
3 Section 6-101 et seq. of this title;

4 8. Two Dollars (\$2.00) for the recording of security interests
5 as provided in Section 1110 of this title;

6 9. Two Dollars (\$2.00) for each inspection conducted pursuant
7 to subsection L of Section 1105 of this title;

8 10. Three Dollars (\$3.00) for each inspection conducted
9 pursuant to subsection M of Section 1105 of this title;

10 11. One Dollar (\$1.00) for each certificate of ownership filed
11 pursuant to subsection R of Section 1105 of this title;

12 12. One Dollar (\$1.00) for each temporary permit issued
13 pursuant to Section 1124 of this title;

14 13. One Dollar and fifty cents (\$1.50) for processing each
15 proof of financial responsibility, driver license information,
16 insurance verification information, and other additional information
17 as provided in Section 7-602 of this title;

18 14. The mailing fees and registration fees provided in Sections
19 1131 and 1140 of this title;

20 15. The notary fee provided in Section 1143 of this title;

21 16. Three Dollars (\$3.00) for each lien entry form completed
22 and recorded on a certificate of title pursuant to subsection G of
23 Section 1105 of this title;

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1 17. Seven Dollars (\$7.00) for each notice of transfer as
2 provided by subsection B of Section 1107.4 of this title;

3 18. Seven Dollars (\$7.00) for each certificate of title or each
4 certificate of registration issued for repossessed vehicles pursuant
5 to Section 1126 of this title;

6 19. Any amount specifically authorized by law to be retained by
7 the motor license agent for the furnishing of a summary of a traffic
8 record; ~~and~~

9 20. Beginning July 1, 2009, each motor license agent shall also
10 be entitled to a portion of the penalties for delinquent
11 registration or payment of excise tax as provided for in subsection
12 C of Section 1115, subsection F of Section 1132 and subsection C of
13 Section 1151 of this title and of subsection A of Section 2103 of
14 Title 68 of the Oklahoma Statutes;

15 21. Beginning with the effective date of this act, each motor
16 license agent shall be entitled to retain Three Dollars and fifty-
17 six cents (\$3.56) for each electric vehicle registered pursuant to
18 the provisions of this act and such amount shall be in addition to
19 any other amount otherwise authorized by this section to be retained
20 with respect to a vehicle; and

21 22. Beginning with the effective date of this act, each motor
22 license agent shall be entitled to retain three and twenty-five one-
23 hundredths percent (3.25%) of the vehicle excise tax collected
24 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes for

1 each electric vehicle but such amount shall not be in addition to
2 any other amount otherwise authorized by this section to be retained
3 with respect to a vehicle.

4 The balance of the funds collected shall be remitted to the
5 Oklahoma Tax Commission as provided in Section 1142 of this title to
6 be apportioned pursuant to Section 1104 of this title.

7 B. For each certificate of registration issued for boats and
8 motors, each motor license agent shall be entitled to retain the
9 greater of One Dollar and twenty-five cents (\$1.25) or an amount to
10 be determined by the Tax Commission according to the provisions of
11 this subsection. At the end of fiscal year 1997 and each fiscal
12 year thereafter, the Tax Commission shall compute the average amount
13 of registration fees for all boats and motors registered in this
14 state during the fiscal year and shall multiply the result by six
15 and twenty-two one-hundredths percent (6.22%). The resulting
16 product shall be the amount which may be retained by each motor
17 license agent for each certificate of registration for boats and
18 motors issued during the following calendar year.

19 SECTION 14. AMENDATORY 68 O.S. 2011, Section 1355, as
20 last amended by Section 1, Chapter 356, O.S.L. 2017 (68 O.S. Supp.
21 2020, Section 1355), is amended to read as follows:

22 Section 1355. There are hereby specifically exempted from the
23 tax levied pursuant to the provisions of Section 1350 et seq. of
24 this title:

1 1. Sale of gasoline, motor fuel, methanol, "M-85" which is a
2 mixture of methanol and gasoline containing at least eighty-five
3 percent (85%) methanol, compressed natural gas, liquefied natural
4 gas, or liquefied petroleum gas on which the Motor Fuel Tax,
5 Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special
6 Fuels Tax levied in Section 500.1 et seq., Section 601 et seq. or
7 Section 701 et seq. of this title has been, or will be paid;

8 2. For the sale of motor vehicles or any optional equipment or
9 accessories attached to motor vehicles on which the Oklahoma Motor
10 Vehicle Excise Tax levied in Section 2101 et seq. of this title has
11 been, or will be paid, all but a portion of the levy provided under
12 Section 1354 of this title, equal to one and twenty-five-hundredths
13 percent (1.25%) of the gross receipts of such sales. Provided, the
14 sale of motor vehicles shall not be subject to any sales and use
15 taxes levied by cities, counties or other jurisdictions of the
16 state;

17 3. Sale of crude petroleum or natural or casinghead gas and
18 other products subject to gross production tax pursuant to the
19 provisions of Section 1001 et seq. and Section 1101 et seq. of this
20 title. This exemption shall not apply when such products are sold
21 to a consumer or user for consumption or use, except when used for
22 injection into the earth for the purpose of promoting or
23 facilitating the production of oil or gas. This paragraph shall not
24

1 operate to increase or repeal the gross production tax levied by the
2 laws of this state;

3 4. Sale of aircraft on which the tax levied pursuant to the
4 provisions of Sections 6001 through 6007 of this title has been, or
5 will be paid or which are specifically exempt from such tax pursuant
6 to the provisions of Section 6003 of this title;

7 5. Sales from coin-operated devices on which the fee imposed by
8 Sections 1501 through 1512 of this title has been paid;

9 6. Leases of twelve (12) months or more of motor vehicles in
10 which the owners of the vehicles have paid the vehicle excise tax
11 levied by Section 2103 of this title;

12 7. Sales of charity game equipment on which a tax is levied
13 pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of
14 Title 3A of the Oklahoma Statutes, or which is sold to an
15 organization that is:

16 a. a veterans' organization exempt from taxation pursuant
17 to the provisions of paragraph (4), (7), (8), (10) or
18 (19) of subsection (c) of Section 501 of the United
19 States Internal Revenue Code of 1986, as amended, 26
20 U.S.C., Section 501(c) et seq.,

21 b. a group home for mentally disabled individuals exempt
22 from taxation pursuant to the provisions of paragraph
23 (3) of subsection (c) of Section 501 of the United
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1 States Internal Revenue Code of 1986, as amended, 26
2 U.S.C., Section 501(c) et seq., or

3 c. a charitable ~~healthcare~~ health care organization which
4 is exempt from taxation pursuant to the provisions of
5 paragraph (3) of subsection (c) of Section 501 of the
6 United States Internal Revenue Code of 1986, as
7 amended, 26 U.S.C., Section 501(c) et seq.;

8 8. Sales of cigarettes or tobacco products to:

9 a. a federally recognized Indian tribe or nation which
10 has entered into a compact with the State of Oklahoma
11 pursuant to the provisions of subsection C of Section
12 346 of this title or to a licensee of such a tribe or
13 nation, upon which the payment in lieu of taxes
14 required by the compact has been paid, or

15 b. a federally recognized Indian tribe or nation or to a
16 licensee of such a tribe or nation upon which the tax
17 levied pursuant to the provisions of Section 349.1 or
18 Section 426 of this title has been paid;

19 9. Leases of aircraft upon which the owners have paid the
20 aircraft excise tax levied by Section 6001 et seq. of this title or
21 which are specifically exempt from such tax pursuant to the
22 provisions of Section 6003 of this title;

1 10. The sale of low-speed or medium-speed electrical vehicles
2 on which the Oklahoma Motor Vehicle Excise Tax levied in Section
3 2101 et seq. of this title has been or will be paid; ~~and~~

4 11. Effective January 1, 2005, sales of cigarettes on which the
5 tax levied in Section 301 et seq. of this title or tobacco products
6 on which the tax levied in Section 401 et seq. of this title has
7 been paid; and

8 12. Sales of electricity at charging stations as defined by
9 Section 2 of this act when the electricity is sold by a charging
10 station owner or operator for purposes of charging an electric
11 vehicle as defined by Section 2 of this act and the tax imposed
12 pursuant to Section 4 of this act is collected and remitted to the
13 Oklahoma Tax Commission.

14 SECTION 15. This act shall become effective November 1, 2021.

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16 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
17 02/25/2021 - DO PASS, As Amended and Coauthored.

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