

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 2595

By: Echols

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7 COMMITTEE SUBSTITUTE

8 [revenue and taxation - sales and use tax - cable
9 television - Internet access - telecommunications
10 services - Oklahoma Tax Commission - effective
11 date]

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 1357.11 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 A. There shall be made a refund for state sales and use taxes
19 paid on the sales of tangible personal property used to provide
20 cable television service, Internet access service or
21 telecommunications services as defined in this subsection; provided,
22 such rebate shall be subject to a statewide annual total limit of
23 Ten Million Dollars (\$10,000,000.00). The Oklahoma Tax Commission
24 shall prescribe by rule a process for allocating each taxpayer's pro

1 rata share of the ten-million-dollar limitation. For purposes of
2 this subsection:

3 1. "Cable television service" means the distribution of video
4 programming, with or without the use of wires, to subscribing or
5 paying customers, and the term includes direct broadcast satellite
6 service (DBS), subscription television service (STV), satellite
7 master antenna television service (SMATV), master antenna television
8 service (MATV), multipoint distribution service (MDS), over-the-top
9 video service, multichannel multipoint distribution service (MMDS)
10 and any audio portion of a video program;

11 2. "Internet access service" means:

- 12 a. a service that enables users to connect to the
13 Internet to access content, information or other
14 services offered over the Internet, and
- 15 b. includes the purchase, use or sale of
16 telecommunications by a provider of a service
17 described in subparagraph a of this paragraph to the
18 extent that such telecommunications are purchased,
19 used or sold:
- 20 (1) to provide such service, or
21 (2) to otherwise enable users to access content,
22 information or other services offered over the
23 Internet; and

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1 3. "Telecommunications service" means the electronic
2 transmission, conveyance or routing of voice, data, audio, video or
3 any other information or signals to a point, or between or among
4 points, and the term "telecommunications service" includes, but is
5 not limited to, such transmission, conveyance or routing in which
6 computer processing applications are used to act on the form, code
7 or protocol of the content for purposes of transmission, conveyance
8 or routing without regard to whether such service is referred to as
9 voice over Internet protocol service or is classified by the Federal
10 Communications Commission as enhanced or value-added.

11 B. Requests for rebates must be filed on or before April 1
12 following each year the exempted equipment is purchased. The
13 Oklahoma Tax Commission shall review and issue a rebate on all
14 approved equipment by July 1 of the year a rebate request is made.
15 In the event of a dispute, the taxpayer may appeal the denial of all
16 or a portion of the requested amount to the Oklahoma Tax Commission.

17 C. By July 1 of each year in which a rebate is given, the
18 Oklahoma Tax Commission will file a consolidated report to the
19 Oklahoma Incentive Evaluation Commission summarizing the investments
20 associated with the rebated funds.

21 D. The Incentive Evaluation Commission shall compile an annual
22 report on the rebates provided by this section that includes the
23 number of taxpayers that claimed the rebate, the aggregate amount of
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1 rebates claimed and any other information necessary to evaluate the
2 effectiveness of the rebates.

3 SECTION 2. This act shall become effective January 1, 2020.

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