

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 HOUSE BILL 3308

By: Fugate

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 2105, as amended by Section 1,
9 Chapter 71, O.S.L. 2023 (68 O.S. Supp. 2023, Section
10 2105), which relates to vehicle excise tax; modifying
11 language to include married or widowed spouse of the
12 veteran; providing effective date; and declaring an
13 emergency.

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

15 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2105, as
16 amended by Section 1, Chapter 71, O.S.L. 2023 (68 O.S. Supp. 2023,
17 Section 2105), is amended to read as follows:

18 Section 2105. An original or a transfer certificate of title
19 shall be issued without the payment of the excise tax levied by
20 Section 2101 et seq. of this title for:

21 1. Any vehicle owned by a nonresident person who operates
22 principally in some other state but who is in Oklahoma only
23 occasionally;

24 2. Any vehicle brought into this state by a person formerly
living in another state, who has owned and registered the vehicle in
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1 such other state of residence at least sixty (60) days prior to the
2 time it is required to be registered in this state; provided,
3 however, this paragraph shall not apply to businesses engaged in
4 renting cars without a driver;

5 3. Any vehicle registered by this state, by any of the
6 political subdivisions thereof, or by a fire department organized
7 pursuant to Section 592 of Title 18 of the Oklahoma Statutes to be
8 used for the purposes of the fire department, or a vehicle which is
9 the subject of a lease or lease-purchase agreement executed between
10 the person seeking an original or transfer certificate of title for
11 the vehicle and a municipality, county, school district, or fire
12 protection district. The person seeking an original or transfer
13 certificate of title shall provide adequate proof that the vehicle
14 is subject to a lease or lease-purchase agreement with a
15 municipality, county, school district, or fire protection district
16 at the time the excise tax levied would otherwise be payable.
17 Service Oklahoma shall have the authority to determine what
18 constitutes adequate proof as required by this section;

19 4. Any vehicle, the legal ownership of which is obtained by the
20 applicant for a certificate of title by inheritance. For the
21 purposes of this section, "inheritance" means any transfer from a
22 deceased individual to the direct successor in interest of the
23 decedent without consideration, whether through probate,
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1 administration, inter vivos trust, transfer-on-death designation, or
2 joint ownership;

3 5. Any used motor vehicle, travel trailer, or commercial
4 trailer which is owned and being offered for sale by a person
5 licensed as a dealer to sell the same, under the provisions of the
6 Oklahoma Vehicle License and Registration Act:

- 7 a. if such vehicle, travel trailer, or commercial trailer
8 has been registered in Oklahoma and the excise tax
9 paid thereon, or
10 b. when such vehicle, travel trailer, or commercial
11 trailer has been registered in some other state but is
12 not the latest manufactured model.

13 Provided, the provisions of this paragraph shall not be
14 construed as allowing an exemption to any person not licensed as a
15 dealer of used motor vehicles, travel trailers, or commercial
16 trailers, or as an automotive dismantler and parts recycler in this
17 state;

18 6. Any vehicle which was purchased by a person licensed to sell
19 new or used motor vehicles in another state if:

- 20 a. such vehicle is not purchased for operation or resale
21 in this state, and
22 b. the state from which the dealer is licensed offers
23 reciprocal privileges to a dealer licensed in this
24 state, pursuant to a reciprocal agreement between the
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1 duly authorized agent of Service Oklahoma and the
2 licensing state;

3 7. Any vehicle, the ownership of which was obtained by the
4 lienholder or mortgagee under or by foreclosure of a lien or
5 mortgage in the manner provided by law or to the insurer under
6 subrogated rights arising by reason of loss under an insurance
7 contract;

8 8. Any vehicle which is taxed on an ad valorem basis;

9 9. Any vehicle or motor vehicle, the legal ownership of which
10 is obtained by transfers:

11 a. from one corporation to another corporation pursuant
12 to a reorganization. As used in this subparagraph,
13 the term "reorganization" means:

14 (1) a statutory merger or consolidation, or

15 (2) the acquisition by a corporation of substantially
16 all of the properties of another corporation when
17 the consideration is solely all or a part of the
18 voting stock of the acquiring corporation, or of
19 its parent or subsidiary corporation,

20 b. in connection with the winding up, dissolution, or
21 liquidation of a corporation only when there is a
22 distribution in kind to the shareholders of the
23 property of such corporation,
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- 1 c. to a corporation where the former owners of the
2 vehicle or motor vehicle transferred are, immediately
3 after the transfer, in control of the corporation, and
4 the stock or securities received by each is
5 substantially in proportion to the interest in the
6 vehicle or motor vehicle prior to the transfer,
- 7 d. to a partnership if the former owners of the vehicle
8 or motor vehicle transferred are, immediately after
9 the transfer, members of such partnership and the
10 interest in the partnership received by each is
11 substantially in proportion to the interest in the
12 vehicle or motor vehicle prior to the transfer,
- 13 e. from a partnership to the members thereof when made in
14 the dissolution of such partnership,
- 15 f. to a limited liability company if the former owners of
16 the vehicle or motor vehicle transferred are,
17 immediately after the transfer, members of the limited
18 liability company and the interest in the limited
19 liability company received by each is substantially in
20 proportion to the interest in the vehicle or motor
21 vehicle prior to the transfer, or
- 22 g. from a limited liability company to the members
23 thereof when made in the dissolution of such
24 partnership;
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1 10. Any vehicle which is purchased by a person to be used by a
2 business engaged in renting motor vehicles without a driver,
3 provided:

4 a. the vehicle shall not be rented to the same person for
5 a period exceeding ninety (90) days,

6 b. any such vehicle exempted from the excise tax by these
7 provisions shall not be placed under any type of lease
8 agreement,

9 c. on any such vehicle exempted from the excise tax by
10 this paragraph that is reregistered in this state,
11 without a prior sale or transfer to the persons
12 specified in divisions (1) and (2) of this
13 subparagraph, at any time prior to the expiration of
14 twelve (12) months from the date of issuance of the
15 original title, the seller shall pay immediately the
16 amount of excise tax which would have been due had
17 this exemption not been granted plus a penalty of
18 twenty percent (20%). No such excise tax or penalty
19 shall become due and payable if the vehicle is sold or
20 transferred in a condition either physical or
21 mechanical which would render it eligible for a
22 salvage title pursuant to law or if the vehicle is
23 sold and transferred in this state at any time prior
24 to the expiration of twelve (12) months:

- (1) to the manufacturer of the vehicle or its controlled financing arm, or
- (2) to a factory authorized franchised new motor vehicle dealer which holds a franchise of the same line-make of the vehicle being purchased, or

d. when this exemption is claimed, Service Oklahoma shall issue a special title which shall restrict the transfer of the title only within this state prior to the expiration of twelve (12) months unless:

- (1) payment of the excise tax plus penalty as provided in this section is made,
- (2) the sale is made to a person specified in division (1) or (2) of subparagraph c of this paragraph, or
- (3) the vehicle is eligible for a salvage title.

For all other tax purposes vehicles herein exempted shall be treated as though the excise tax has been paid;

11. Any vehicle of the latest manufactured model, registered from a title in the name of the original manufacturer or assigned to the original manufacturer and issued by any state and transferred to a licensed, franchised Oklahoma motor vehicle dealer, as defined by Section 1102 of Title 47 of the Oklahoma Statutes, which holds a franchise of the same line-make as the vehicle being registered;

1 12. Any new motor vehicle, registered in the name of a
2 manufacturer or dealer of new motor vehicles, for which a license
3 plate has been issued pursuant to Section 1116.1 of Title 47 of the
4 Oklahoma Statutes, if such vehicle is authorized by the manufacturer
5 or dealer for personal use by an individual. The authorization for
6 such use shall not exceed four (4) months which shall not be renewed
7 or the exemption provided by this paragraph shall not be applicable.
8 The exemption provided by this paragraph shall not be applicable to
9 a transfer of ownership or registration subsequent to the first
10 registration of the vehicle by a manufacturer or dealer;

11 13. Any vehicle, travel trailer, or commercial trailer of the
12 latest manufacturer model purchased by a franchised Oklahoma dealer
13 licensed to sell the same which holds a franchise of the same line-
14 make as the vehicle, travel trailer, or commercial trailer being
15 registered;

16 14. Any vehicle which is the subject of a lease or lease-
17 purchase agreement and which the ownership of such vehicle is being
18 obtained by the lessee, if the vehicle excise tax was paid at the
19 time of the initial lease or lease-purchase agreement;

20 15. Any vehicle which:

- 21 a. is purchased by a private, nonprofit organization
22 which is exempt from taxation pursuant to the
23 provisions of Section 501(c) (3) of the Internal
24 Revenue Code, 26 U.S.C., Section 501(c) (3), and which
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1 is primarily funded by a fraternal or civic service
2 organization with at least one hundred local chapters
3 or clubs, and

4 b. is designed and used to provide mobile health
5 screening services to the general public at no cost to
6 the recipient, and for which no reimbursement of any
7 kind is received from any health insurance provider,
8 health maintenance organization, or governmental
9 program;

10 16. a. Any vehicle which is purchased by an individual who
11 has been honorably discharged from active service in
12 any branch of the Armed Forces of the United States or
13 Oklahoma National Guard and who has been certified by
14 the United States Department of Veterans Affairs, its
15 successor, or the Armed Forces of the United States to
16 be a disabled veteran in receipt of compensation at
17 the one-hundred-percent rate for a permanent
18 disability sustained through military action or
19 accident resulting from disease contracted while in
20 such active service and registered with the veterans
21 registry created by the Oklahoma Department of
22 Veterans Affairs; provided, that if the veteran has
23 previously received exemption pursuant to this
24 paragraph, no registration with the veterans registry
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1 shall be required. This exemption may not be claimed
2 by an individual, for more than one vehicle in a
3 consecutive three-year period, unless the vehicle is a
4 replacement for a vehicle which was destroyed and
5 declared by the insurer to be a total loss claim.
6 Service Oklahoma shall promulgate any rules necessary
7 to implement the provisions of this section.

8 b. In order to implement the provisions of subparagraph a
9 of this paragraph, if the individual is incapacitated
10 and is either mentally or physically unable to
11 transfer title where it could be held jointly and if
12 the Oklahoma Tax Commission will not accept power of
13 attorney, or if the individual's spouse does not have
14 power of attorney, then the spouse of the disabled
15 veteran can fill out a form containing a statement
16 under oath that the spouse will be using the vehicle
17 primarily for the benefit of the individual and if the
18 form is signed according to the requirements of this
19 section, the exemption shall be applicable to the
20 transaction; or

21 17. Any vehicle on which ownership is transferred by a
22 reposessor directly back to the owner or owners from whom the
23 vehicle was repossessed; provided, ownership shall be assigned by
24 the reposessor within thirty (30) days of issuance of the
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1 repossession title and shall be identical to that reflected in the
2 vehicle title record immediately prior to the repossession.

3 SECTION 2. This act shall become effective July 1, 2024.

4 SECTION 3. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

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