OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-THIRD OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 29, 2011

BILL NUMBER: SB 343 **STATUS AND DATE OF BILL:** Introduced 01/18/11

AUTHORS: House N/A Senate Johnson (Rob)

TAX TYPE (S): Motor Vehicle **SUBJECT:** Other

PROPOSAL: Amendatory and New Law

This measure would direct the Oklahoma Tax Commission on or before June 1, 2012, to implement a pilot program for an electronic, print-on-demand, temporary license plate issuance system for motor vehicle dealers to provide temporary license plates. It further states that the pilot program is to operate until June 1, 2013, after which all motor vehicle dealers are required to use the system to issue temporary license plates.

EFFECTIVE DATE: January 1, 2012

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 12: Unknown at this time (positive)
FY 13: Unknown at this time (positive)

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 11: Unknown at this time

2/6/11 — Dawn Elizabeth Cash — rgm
DATE — DIVISION DIRECTOR

2/7/11 — Reece Womack
DATE — REECE WOMACK, ECONOMIST

2/7/11 — [signature]
DATE — FOR THE COMMISSION

Attachment to Fiscal/Administrative Impact for SB 343 (Intro.) – prepared 01/29/11

Senate Bill 343 would direct the Oklahoma Tax Commission on or before June 1, 2012, to implement a pilot program for an electronic, print-on-demand, temporary license plate issuance system for motor vehicle dealers to provide temporary license plates. It further states that the pilot program is to operate until June 1, 2013, after which all motor vehicle dealers are required to use the system to issue temporary license plates.

Industry sources have informed the Tax Commission that upon implementation of the proposals in SB343, new and used licensed motor vehicle dealers will be required to enter purchase information relating to the registration and titling process for vehicles -- as set forth in the Oklahoma Vehicle License and Registration Act -- into a secured database. The dealers will then print and issue temporary tags for display on the vehicle.

This will provide the Tax Commission with point-of-sale transfer of ownership and vehicle registration information that is presently unavailable until the taxpayer submits an application for certificate of title and/or registration. The proposed system would provide the Tax Commission with a means to follow-up and contact taxpayers if they have not processed the appropriate transaction within 30 days. Industry sources have informed the Tax Commission that there will be no development or other administrative costs to be incurred.

The Tax Commission is in the process of contacting other jurisdictions which have implemented similar programs to determine if they experienced an increase in motor vehicle collections as a result of such implementation. The estimated revenue impact for the SB 343 is unknown – positive in nature.