

# OKLAHOMA TAX COMMISSION

## FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST EXTRAORDINARY SESSION, FIFTY-SIXTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: September 25, 2017

BILL NUMBER: SB 44x STATUS AND DATE OF BILL: Introduced 9/22/2017

AUTHORS: House n/a Senate Allen

TAX TYPE (S): Sales Tax SUBJECT: Exemption

PROPOSAL: Amendatory

The measure proposes amendment to Section 2103 of Title 68 of the Oklahoma Statutes to exempt certain commercially registered vehicles from imposition of the 1.25% motor vehicle sales tax. The exemption would apply to the following vehicles which currently pay the \$10 excise tax.

- Commercial trucks and truck-tractors registered under Section 1133(A) of Title 47 for a weight of 55,000 pounds or more,
- Commercial trailers and semitrailers registered under Section 1133(C) of Title 47 to transport cargo over the highways of this state, and
- Frac tanks registered under Section 1133(C) of Title 47.

EFFECTIVE DATE: Emergency - Passage Upon Approval

### REVENUE IMPACT:

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

FY 18: Minimal decrease in state sales tax revenues

FY 19: Minimal decrease in state sales tax revenues

### ADMINISTRATIVE IMPACT:

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

FY 18: None

Sept. 25, 2017  
DATE

Rick Miller  
DIVISION DIRECTOR

msm

9-25-17  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

9-25-17  
DATE

Jim Mint  
FOR THE COMMISSION

## **ATTACHMENT TO FISCAL IMPACT - SB 44 [Introduced] Prepared September 25, 2017**

The measure proposes amendment to Section 2103 of Title 68 of the Oklahoma Statutes to exempt certain commercially registered vehicles from imposition of the 1.25% motor vehicle sales tax.

Currently, subsection B of Section 2103 of the Oklahoma Statutes, not amended by HB 2433, specifically precludes the imposition of the 1.25 percent sales tax on trucks and truck tractors which pay the \$10 excise tax and are proportionally registered pursuant to the International Registration Plan (IRP) 47 O.S. § 1120. Trailers associated with the proportionally registered units and other commercial vehicles [trucks, truck tractors, trailers and semitrailers] registered pursuant to Section 1133 of Title 47 which also pay the \$10 excise tax are not exempted by the referenced provision and as such sales tax is due on transfers of these vehicles occurring on and after July 1, 2017. This measure would exempt these similarly situated vehicles from the levy of the 1.25% sales tax. In addition to proportionally registered trucks and truck tractors currently exempted by statute, the exemption would apply to the following vehicles which presently pay the \$10 excise tax.

1. Commercial trucks and truck-tractors registered under Section 1133(A) of Title 47 for a weight of 55,000 pounds or more,
2. Commercial trailers and semitrailers registered under Section 1133(C) of Title 47 to transport cargo over the highways of this state, and
3. Frac tanks registered under Section 1133(C) of Title 47.

The estimated impact to state sales tax collections for FY 18 and FY 19 occurring as a result of this measure is minimal.