

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: April 22, 2021

BILL NUMBER: SB 355 STATUS AND DATE OF BILL: Enrolled 04/20/2021

AUTHORS: House Sims et al. Senate Rosino

TAX TYPE (S): Vehicle Rental Tax SUBJECT: Administrative

PROPOSAL: New Law & Amendatory

Sections 1 & 2 create the "Peer-to-Peer Car Sharing Program Act" and define applicable terms including "peer to-peer car sharing"¹, "peer-to-peer-car sharing program"², "peer-to-peer car sharing program agreement"³, "shared vehicle"⁴, "shared vehicle driver"⁵ and "shared vehicle owner"⁶

Section 15 proposes amendment to Section 2110 of Title 68 to clarify that the 6% vehicle rental tax does not apply to any shared vehicle upon the purchase price of which applicable taxes were paid.⁷ Also, the vehicle rental tax is to be collected from the person renting the vehicle or shared vehicle driver at the time of payment of the rental agreement⁸ and shall be due and payable to the Tax Commission by the business engaged in renting these vehicles or peer-to-peer car sharing program, but only with respect to shared vehicles upon the purchase of which applicable taxes were not paid. The proposed amendments to Section 2110 of Title 68 also defines "applicable taxes" and "rental agreement" and further provides that the terms "peer-to-peer car sharing program", "car sharing program agreement", "shared vehicle", "shared vehicle owner", and "shared vehicle driver" shall have the same definitions as set forth in Section 2 of the Peer-to-Peer Car Sharing Program Act.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

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

FY 22 & FY 23: Unknown increase in vehicle rental tax revenues

April 26, 2021

DATE

Rick Miller

DIVISION DIRECTOR

msm

4/26/2021

DATE

Huan Gong

HUAN GONG, ECONOMIST

4/24/21

DATE

JDA

FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

¹ "Peer-to-peer car sharing means the authorized use of a vehicle by an individual other than the vehicle's owner through a peer-to-peer car sharing program.

² "Peer-to-peer-car sharing program" as a business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration and a "peer-to-peer car sharing program will not be considered a "transportation network company" as defined in Section 1011 of Title 47 of the Oklahoma Statutes.

³ "Peer-to-peer car sharing program agreement" means the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-to-peer car sharing program.

⁴ "Shared vehicle" means a vehicle that is available for sharing through a peer-to-peer car sharing program

⁵ "Shared vehicle driver" means an individual who has been authorized to drive the shared vehicle by the shared vehicle owner under a car sharing program agreement.

⁶ "Shared vehicle owner" means the registered owner, or a person or entity designated by the registered owner, or a vehicle made available for sharing to shared vehicle drivers through a peer-to-peer car sharing program.

⁷ "Applicable taxes" means, with respect to shared vehicles purchased in Oklahoma, motor vehicle excise taxes levied under Section 2103 of Title 47, and sales taxes levied under Sections 1354 & 1355 of Title 68. With respect to vehicles not purchased in Oklahoma, applicable taxes refers to the sales, use, excise or other tax generally due upon the purchase of a motor vehicle in the jurisdiction in which the shared vehicle was purchased.

⁸ "Rental agreement" means an agreement of ninety (90) days or less duration on any motor vehicle that is rented to a person by a business engaged in renting motor vehicles without drivers in this state and includes those peer-to-peer car sharing agreements only involving shared vehicles for which the shared vehicle owner has not paid the applicable taxes upon purchase of the shared vehicle.

ATTACHMENT TO REVENUE IMPACT - SB 355 - [Enrolled] – Prepared 04/22/2021

Section 1 creates the “Peer-to-Peer Car Sharing Program Act”.

Section 2 defines applicable terms including “peer to-peer car sharing”⁹, “peer-to-peer-car sharing program”¹⁰, “peer-to-peer car sharing program agreement”¹¹, “shared vehicle”¹², “shared vehicle driver”¹³ and “shared vehicle owner”¹⁴

Section 15 proposes amendment to Section 2110 of Title 68 to clarify that the 6% vehicle rental tax does not apply to any shared vehicle upon the purchase price of which applicable taxes were paid.¹⁵ Also, the vehicle rental tax is to be collected from the person renting the vehicle or shared vehicle driver at the time of payment of the rental agreement¹⁶ and shall be due and payable to the Tax Commission by the business engaged in renting these vehicles or peer-to-peer car sharing program, but only with respect to shared vehicles upon the purchase of which applicable taxes were not paid. The proposed amendments to Section 2110 of Title 68 also defines “applicable taxes” and “rental agreement” and further provides that the terms “peer-to-peer car sharing program”, “car sharing program agreement”, “shared vehicle”, “shared vehicle owner”, and “shared vehicle driver” shall have the same definitions as set forth in Section 2 of the Peer-to-Peer Car Sharing Program Act.

It is estimated that adoption of the proposal will result in an unknown increase in vehicle rental tax revenues for FY 22 and for FY 23.

⁹ “Peer-to-peer car sharing means the authorized use of a vehicle by an individual other than the vehicle’s owner through a peer-to-peer car sharing program.

¹⁰ “Peer-to-peer-car sharing program” as a business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration and a “peer-to-peer car sharing program will not be considered a “transportation network company” as defined in Section 1011 of Title 47 of the Oklahoma Statutes.

¹¹ “Peer-to-peer car sharing program agreement” means the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-to-peer car sharing program.

¹² “Shared vehicle” means a vehicle that is available for sharing through a peer-to-peer car sharing program.

¹³ “Shared vehicle driver” means an individual who has been authorized to drive the shared vehicle by the shared vehicle owner under a car sharing program agreement.

¹⁴ “Shared vehicle owner” means the registered owner, or a person or entity designated by the registered owner, or a vehicle made available for sharing to shared vehicle drivers through a peer-to-peer car sharing program.

¹⁵ “Applicable taxes” means, with respect to shared vehicles purchased in Oklahoma, motor vehicle excise taxes levied under Section 2103 of Title 47, and sales taxes levied under Sections 1354 & 1355 of Title 68. With respect to vehicles not purchased in Oklahoma, applicable taxes refers to the sales, use, excise or other tax generally due upon the purchase of a motor vehicle in the jurisdiction in which the shared vehicle was purchased.

¹⁶ “Rental agreement” means an agreement of ninety (90) days or less duration on any motor vehicle that is rented to a person by a business engaged in renting motor vehicles without drivers in this state and includes those peer-to-peer car sharing agreements only involving shared vehicles for which the shared vehicle owner has not paid the applicable taxes upon purchase of the shared vehicle.