

1 (2ND EXTRAORDINARY SESSION)  
2 ENGROSSED HOUSE  
3 BILL NO. 1015

By: Wallace and Casey of the  
House

and

David and Fields of the  
Senate

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9 An Act relating to revenue and taxation; amending 68  
10 O.S. 2011, Section 500.10, which relates to  
11 exemptions from motor fuels tax; extending exemptions  
to additional tax levy; providing effective date; and  
providing for conditional effect.

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 500.10, is  
16 amended to read as follows:

17 Section 500.10 Subject to the procedural requirements and  
18 conditions set out in this section and Sections 500.11 through  
19 500.17 of this title, the following are exempt from the ~~tax~~ taxes on  
20 motor fuel imposed by Section 500.4 of this title ~~on motor fuel~~ and  
21 Section 6 of Enrolled House Bill No. 1010 of the 2nd Extraordinary  
22 Session of the 56th Oklahoma Legislature:

23 1. Motor fuel for which proof of export is available in the  
24 form of a terminal-issued destination state shipping paper:

- 1           a.    exported by a supplier who is licensed in the  
2                    destination state, or  
3           b.    sold by a supplier to a licensed exporter for  
4                    immediate export;

5           2.    Motor fuel which was acquired by an unlicensed exporter and  
6 as to which the tax imposed by Section 500.4 of this title has  
7 previously been paid or accrued and was subsequently exported by  
8 transport truck by or on behalf of the licensed exporter in a  
9 diversion across state boundaries properly reported in conformity  
10 with Section 500.46 of this title;

11           3.    Motor fuel exported out of a bulk plant in this state in a  
12 tank wagon if the destination of that vehicle does not exceed  
13 twenty-five (25) miles from the border of this state and as to which  
14 the tax imposed by Section 500.4 of this title has previously been  
15 paid or accrued, subject to gallonage limits and other conditions  
16 established by the Oklahoma Tax Commission;

17           4.    K-1 kerosene sold at retail through dispensers which have  
18 been designed and constructed to prevent delivery directly from the  
19 dispenser into a vehicle fuel supply tank, and K-1 kerosene sold at  
20 retail through nonbarricaded dispensers in quantities of not more  
21 than twenty-one (21) gallons for use other than for highway  
22 purposes, under such rules as the Tax Commission shall reasonably  
23 require;

1        5. Motor fuel sold to the United States or any agency or  
2 instrumentality thereof;

3        6. Motor fuel used solely and exclusively in district-owned  
4 public school vehicles or FFA and 4-H Club trucks for the purpose of  
5 legally transporting public school children, and motor fuel  
6 purchased by any school district for use exclusively in school buses  
7 leased or hired for the purpose of legally transporting public  
8 school children, or in the operation of vehicles used in driver  
9 training;

10       7. Motor fuel used solely and exclusively as fuel to propel  
11 motor vehicles on the public roads and highways of this state, when  
12 leased or owned and being operated for the sole benefit of a county,  
13 city, town, a volunteer fire department with a state certification  
14 and rating, rural electric cooperatives, rural water and sewer  
15 districts, rural irrigation districts organized under the Oklahoma  
16 Irrigation District Act, conservancy districts and master  
17 conservancy districts organized under the Conservancy Act of  
18 Oklahoma, rural ambulance service districts, or federally recognized  
19 Indian tribes;

20       8. Motor fuel used as fuel for farm tractors or stationary  
21 engines owned or leased and operated by any person and used  
22 exclusively for agricultural purposes, except as to two and eight  
23 one-hundredths cents (\$0.0208) per gallon of gasoline as provided in  
24 subsection C of Section 500.4 of this title;

1 9. Gasoline, diesel fuel and kerosene sold for use as fuel to  
2 generate power in aircraft engines, whether in aircraft or for  
3 training, testing or research purposes of aircraft engines, except  
4 as to eight one-hundredths of one cent (\$0.0008) per gallon as  
5 provided in subsection B of Section 500.4 of this title;

6 10. Motor fuel sold within an Indian reservation or within  
7 Indian country by a federally recognized Indian tribe to a member of  
8 that tribe and used in motor vehicles owned by that member of the  
9 tribe. This exemption does not apply to sales within an Indian  
10 reservation or within Indian country by a federally recognized  
11 Indian tribe to non-Indian consumers or to Indian consumers who are  
12 not members of the tribe selling the motor fuel;

13 11. Subject to determination by the Tax Commission, that  
14 portion of diesel fuel:

- 15 a. used to operate equipment attached to a motor vehicle,  
16 if the diesel fuel was placed into the fuel supply  
17 tank of a motor vehicle that has a common fuel  
18 reservoir for travel on a highway and for the  
19 operation of equipment, or  
20 b. consumed by the vehicle while the vehicle is parked  
21 off the highways of this state;

22 12. Motor fuel acquired by a consumer out of state and carried  
23 into this state, retained within and consumed from the same vehicle  
24 fuel supply tank within which it was imported;

1 13. Diesel fuel used as heating oil, or in railroad locomotives  
2 or any other motorized flanged-wheel rail equipment, or used for  
3 other nonhighway purposes other than as expressly exempted under  
4 another provision;

5 14. Motor fuel which was lost or destroyed as a direct result  
6 of a sudden and unexpected casualty;

7 15. Taxable diesel which had been accidentally contaminated by  
8 dye so as to be unsaleable as highway fuel as proved by proper  
9 documentation;

10 16. Dyed diesel fuel;

11 17. Motor fuel sold to the Oklahoma Space Industry Development  
12 Authority or any spaceport user as defined in the Oklahoma Space  
13 Industry Development Act; and

14 18. Biofuels or biodiesel produced by an individual with crops  
15 grown on property owned by the same individual and used in a vehicle  
16 owned by the same individual on the public roads and highways of  
17 this state.

18 SECTION 2. This act shall become effective upon the date in  
19 which the provisions of Enrolled House Bill No. 1010 of the 2nd  
20 Extraordinary Session of the 56th Oklahoma Legislature become  
21 effective.

22 SECTION 3. The provisions of this act shall be contingent upon  
23 the enactment of the provisions of Enrolled House Bill No. 1010 of  
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1 the 2nd Extraordinary Session of the 56th Oklahoma Legislature and  
2 shall not become operative as law otherwise.

3 Passed the House of Representatives the 26th day of March, 2018.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2018.

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Presiding Officer of the Senate

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