

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 7, 2022

BILL NUMBER: SB 1318 **STATUS AND DATE OF BILL:** Introduced 01/17/22

AUTHORS: House NA Senate Jech

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

PROPOSAL: Amendatory

The measure proposes amendment to Section 1137.3 of Title 47 which governs issuance of temporary license plates by the dealers at the time of purchase of new motor vehicles, travel trailers and commercial trailers by extending the registration period for the described vehicles to within 60 days from the date of purchase for purchases made on or after the effective date of the act and before July 1, 2023. Thereafter, as is currently the case, registration of the described vehicles are to be made within 30 days of the date of purchase.

EFFECTIVE DATE: Emergency – Upon passage and approval

REVENUE IMPACT:

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

FY 23: See Attached for Analysis

ADMINISTRATIVE IMPACT:

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

FY 23: \$28,850 increase in OTC administrative costs

Feb. 7, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2/7/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/7/2022
DATE

[Signature]
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.

ATTACHMENT TO FISCAL IMPACT- SB 1318-[Introduced] – Prepared 02/07/2022

The measure proposes amendment to Section 1137.3 of Title 47 which governs issuance of temporary license plates by the dealers at the time of purchase of new motor vehicles, travel trailers and commercial trailers by extending the registration period for the described vehicles to within 60 days from the date of purchase for purchases made on or after the effective date of the act and before July 1, 2023. Thereafter, as is currently the case, registration of the described vehicles are to be made within 30 days of the date of purchase.

During the immediately preceding 12 month period the motor vehicle database indicates that for transfers of the described new vehicles, in addition to transfers of used motor vehicles, travel trailers and commercial trailers, interest and penalties were collected for late payments of registration fees, motor vehicle excise and sales tax excluding any applicable motor license agent retention fees in the amounts of \$988,251 and \$2,833,645, respectively, during the extended period proposed in the measure.

The impact assumes an effective date of July 1, 2022. Further if the proposed registration period is intended to apply to both new and used vehicles and similar transactions with corresponding late payments occur in FY 23 as previously experienced in the referenced 12 month period a decrease in motor vehicle collections of \$3,821,896 is estimated for FY 23.

The measure does not make corresponding amendments to the applicable tax provisions which set the timeframe for timely remittance of registration fees and transfer taxes.