

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 6, 2021

BILL NUMBER: SB 894 STATUS AND DATE OF BILL: Introduced 01/21/2021

AUTHORS: House n/a Senate Weaver

TAX TYPE (S): Boats and Motors SUBJECT: Other

PROPOSAL: New Law

The measure creates a new section of law to allow an individual in possession of a salvage vessel or salvage outboard motor¹ to submit an application² for a certificate of salvage title.³ The fees for the certificate of salvage title shall be \$2.25⁴, in addition to any excise taxes, or fees imposed by law for such a vessel or motor. In addition, fees of \$2.25⁵ for a duplicate certificate of salvage title, \$8.00 for each security interest recorded on a certificate of salvage title, \$1.00 per copy of certificate of salvage title information shall be charged along with a \$2.00 fee for each certified copy of a certificate of salvage title and for each security interest recorded on a certificate of salvage title. Upon payment of all fees and taxes, a certificate of salvage title, a certificate of registration and for a salvage vessel, two registration decals or for a salvage outboard motor, one registration decal shall be issued.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

FY 22: Unknown increase in boats and motor revenues
FY 23: Unknown increase in boats and motors revenues

ADMINISTRATIVE IMPACT:

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

FY 22: Unknown at this time.

Feb. 8, 2021 Rick Miller msm
DATE DIVISION DIRECTOR

2/8/2021 Huan Gong
DATE HUAN GONG, ECONOMIST

2/8/21 JT
DATE 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 Salvage vessel and salvage outboard motor means a vessel or outboard motor that is being registered for the first time in this state or has not been registered in Oklahoma within the previous fifteen (15) years, is greater than twenty (20) years of age and has a fair cash value of less than Four Hundred Dollars (\$400), as prescribed by the Oklahoma Tax Commission.

² In addition to a \$1.25 application fee.

³ The application for a certificate and registration for a vessel or outboard motor shall be upon a form furnished by the Tax Commission and must contain a detailed description of the vessel or outboard motor, the manufacturer's serial and model number or other identification numbers in addition to other outlined information/documentation.

⁴ One Dollar of each fee shall be deposited to the Oklahoma Tax Commission Reimbursement Fund.

⁵ One Dollar of each fee shall be deposited to the Oklahoma Tax Commission Reimbursement Fund.

ATTACHMENT TO FISCAL IMPACT–SB 895–[Introduced]–Prepared 02/06/2021

The measure creates a new section of law to allow an individual in possession of a salvage vessel or salvage outboard motor⁶ to submit an application⁷ for a certificate of salvage title.⁸ The fees for the certificate of salvage title shall be \$2.25⁹, in addition to any excise taxes, or fees imposed by law for such a vessel or motor. In addition, fees of \$2.25¹⁰ for a duplicate certificate of salvage title, \$8.00 for each security interest recorded on a certificate of salvage title, \$1.00 per copy of certificate of salvage title information shall be charged along with a \$2.00 fee for each certified copy of a certificate of salvage title and for each security interest recorded on a certificate of salvage title. Upon payment of all fees and taxes, a certificate of salvage title, a certificate of registration and for a salvage vessel, two registration decals or for a salvage outboard motor, one registration decal shall be issued.

The measure will result in an unknown increase in boats and motors revenues for FY 22 and FY 23.

Administrative Costs and Concerns

For purposes of determining value, a National Automobile Dealers Association publication is available for boats and motors. However, a determination of “fair cash value” is not provided. Values including “average retail value” are set forth in the referenced publication. To utilize this publication, it appears that the proposed amendatory language relating to the determination of “fair cash value” would need to be changed to “average retail value”. Additionally, the Tax Commission would incur additional administrative costs to subscribe to this service. The specific cost to subscribe has yet to be determined.

⁶ Salvage vessel and salvage outboard motor means a vessel or outboard motor that is being registered for the first time in this state or has not been registered in Oklahoma within the previous fifteen (15) years, is greater than twenty (20) years of age and has a fair cash value of less than Four Hundred Dollars (\$400), as prescribed by the Oklahoma Tax Commission.

⁷ In addition to a \$1.25 application fee.

⁸ The application for a certificate and registration for a vessel or outboard motor shall be upon a form furnished by the Tax Commission and must contain a detailed description of the vessel or outboard motor, the manufacturer’s serial and model number or other identification numbers in addition to other outlined information/documentation.

⁹ One Dollar of each fee shall be deposited to the Oklahoma Tax Commission Reimbursement Fund.

¹⁰ One Dollar of each fee shall be deposited to the Oklahoma Tax Commission Reimbursement Fund.