

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	SB1438
Version:	ENGR
Request Number:	
Author:	Rep. Fetgatter
Date:	4/1/2024
Impact:	No Impact

Research Analysis

Engrossed SB1438 allows heavy equipment rental businesses to assess a 1.25 percent recovery fee for any item of heavy equipment property rental by a consumer as a means to offset personal property tax paid on the rented equipment. The recovery fee is not subject to state or local sales tax and cannot be charged when the customer is a governmental or tribal entity. The measure also requires rental businesses to submit an annual report to the Oklahoma Tax Commission disclosing the amount of personal property taxes paid and the amount of the recovery fees collected in the prior year.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, SB1438 proposes a new law that would allow certain companies to charge their customers a recovery fee of 1.25% on the rental charge of heavy equipment. The fee is to be retained by the business for the purpose of paying personal property taxes against the heavy equipment property. Businesses collecting the fee will be required to report their aggregate personal property taxes paid and aggregated recovery fee collections to the Oklahoma Tax Commission (OTC). Excess recovery fee collections must be paid to county treasurers.

This measure is not expected to impact state revenue or state appropriations.

OTC Analysis:

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:

There is no impact to state tax collections.

FY 25: none

FY 26: none

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

