

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3031

By: Maynard

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 500.10; which relates to exemptions from motor fuel tax; providing exemption for Oklahoma ambulance districts; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 500.10, is amended to read as follows:

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

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

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

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

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

4. K-1 kerosene sold at retail through dispensers which have been designed and constructed to prevent delivery directly from the dispenser into a vehicle fuel supply tank, and K-1 kerosene sold at retail through nonbarricaded dispensers in quantities of not more than twenty-one (21) gallons for use other than for highway purposes, under such rules as the Tax Commission shall reasonably 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, ambulance districts  
19 established under Section 9C of Article X of the Oklahoma  
20 Constitution, or federally recognized Indian tribes;

21           8. Motor fuel used as fuel for farm tractors or stationary  
22 engines owned or leased and operated by any person and used  
23 exclusively for agricultural purposes, except as to two and eight  
24  
--

1 one-hundredths cents (\$0.0208) per gallon of gasoline as provided in  
2 subsection C of Section 500.4 of this title;

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

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

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

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

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

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

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

10 15. Taxable diesel which had been accidentally contaminated by  
11 dye so as to be unsaleable as highway fuel as proved by proper  
12 documentation;

13 16. Dyed diesel fuel;

14 17. Motor fuel sold to the Oklahoma Space Industry Development  
15 Authority or any spaceport user as defined in the Oklahoma Space  
16 Industry Development Act; and

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

21 SECTION 2. This act shall become effective November 1, 2024.

22  
23 59-2-8631 AO 12/04/23  
24  
--