

**TITLE 710. OKLAHOMA TAX COMMISSION  
CHAPTER 60. MOTOR VEHICLES**

**RULEMAKING ACTION:**

PERMANENT final adoption

**RULES:**

Subchapter 3. Registration and Licensing

Part 1. General Provisions

710:60-3-22 [AMENDED]

710:60-3-23 [AMENDED]

Part 5. Dealers

710:60-3-57 [NEW]

Part 9. Commercial Vehicles

710:60-3-97 [AMENDED]

Subchapter 5. Motor Vehicle Titles

Part 5. Certificates of Title

710:60-5-53 [AMENDED]

Subchapter 7. Motor Vehicle Excise Tax

710:60-7-3 [AMENDED]

710:60-7-5 [AMENDED]

710:60-7-8 [AMENDED]

**AUTHORITY:**

47 O.S. §§ 1140, 1149 and 1151; 68 O.S. § 203; Oklahoma Tax Commission

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n/a

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n/a

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n/a

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n/a

**ANALYSIS:**

Section 710:60-3-22 has been amended to clarify policy regarding certain charitable organizations which are exempt from registering with the Secretary of State's office and their entitlement to accept and assign ownership of donated vehicles. [47:1107, 1115; 18:552.3]

Section 710:60-3-23 has been amended to reflect the provisions of Senate Bill 330 which provides a credit towards the Oklahoma registration fee of a vehicle which is a replacement for a properly registered vehicle destroyed by a tornado in 2013 for which a Presidential Major Disaster Declaration was issued. [47:1132.3]

New Section 710:60-3-57 has been added to reflect the provisions of Senate Bill 925 regarding licensing of powersports vehicle dealers. [47:562, 564]

Section 710:60-3-97 has been amended to reflect the provisions of Senate Bill 924 which adds the definition of "construction machinery" to the Oklahoma Vehicle License and Registration Act, and requires construction machinery to be registered. [47:1102, 1133]

Section 710:60-5-53 has been amended to assist insurance companies in establishing a procedure for recording their ownership of an unrecovered theft vehicle for which the Oklahoma title has previously been placed on hold pending completion of a serial inspection.

Section 710:60-7-3 has been amended to reflect the provisions of Senate Bill 678 which provides for an excise tax exemption for a repossessed vehicle which is transferred back to the former owner. [68:2105]

Section 710:60-7-5 has been amended to correct a scrivener's error.

Section 710:60-7-8 has been amended to reflect the provisions of Senate Bill 330 which provides a credit with respect to the excise tax due on a vehicle which is a replacement for a vehicle destroyed by a tornado in 2013 for which a Presidential Major Disaster Declaration was issued and on which excise tax had been paid on or after January 1, 2012. [68:2103.1]

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**PURSUANT TO THE ACTIONS DESCRIBED HEREIN, THE FOLLOWING RULES ARE CONSIDERED FINALLY ADOPTED AS SET FORTH IN 75 O.S., SECTIONS 250.3(5) AND 308(E), WITH AN EFFECTIVE DATE OF SEPTEMBER 12, 2014:**

**SUBCHAPTER 3. REGISTRATION AND LICENSING**

**PART 1. GENERAL PROVISIONS**

**710:60-3-22. Charitable organization vehicle registration**

(a) Vehicles donated to a charitable organization licensed through the Oklahoma Secretary of State's Office are exempt from delinquent registration fees, excise tax, and penalties. The charitable organization is responsible only for a title fee, when applicable.

(b) Should ownership of a vehicle on which delinquent taxes are due be assigned to a licensed charitable organization and subsequently reassigned back to the donor, all delinquent taxes and fees again become due.

(c) Organizations entitled to a specific exemption from the Secretary of State charitable organization registration requirements pursuant to 18 OS § 552.4 may, upon confirmation of that exemption by the Motor Vehicle Division of the Oklahoma Tax Commission, receive and assign ownership of donated vehicles in the same manner as registered charitable organizations.

**710:60-3-23. Tornado registration fee credit**

Credit will be allowed towards the Oklahoma registration fee of a vehicle which is a replacement for a properly registered vehicle destroyed by a tornado on October 9, 2001, or May 8 or 9, 2003, or destroyed by a tornado in 2013 for which a Presidential Major Disaster Declaration was issued. The credit will be prorated to an amount equal to the fee for the number of months remaining on the registration for the destroyed vehicle, as of the date of loss. No excess credit may be refunded.

## PART 5. DEALERS

### **710:60-3-57. New powersports vehicle dealer**

Following confirmation of dealer licensing approval by the Motor Vehicle Commission, the Dealer License Section of the Oklahoma Tax Commission will assign an appropriate powersports dealer license number upon receipt of a properly completed application.

## PART 9. COMMERCIAL VEHICLES

### **710:60-3-97. Other commercial vehicles**

(a) **Ambulances and hearses.** Ambulances and hearses are registered as commercial vehicles pursuant to 47 O.S. §1133.1 when used commercially and properly identified as a commercial vehicle as provided by 47 O.S. §1102.

(b) **Definition and treatment of funeral hearse.** "Funeral Hearse" is a vehicle having a platform in place of seats modified to carry the remains of a deceased person or persons. They may be registered as commercial vehicles if they meet all requirements.

(c) **Forest products vehicles.** For each motor vehicle used primarily for the purpose of transporting unfinished and unprocessed forest products, logs, ties, stave bolts and posts, originating and produced in this state from the point of production or harvesting to the point at which they shall first undergo any processing, preparation for processing, conversion or transformation from their raw or natural state, an annual license fee shall be collected plus an insurance verification fee for each power unit.

(1) Such license plates shall be permanent in nature and shall be designed in such manner as to remain with the vehicle for the duration of the vehicle's life span or until the title is transferred or the vehicle is no longer used for the purposes specified in this Subsection.

(2) For purposes of this Subsection, the term "**motor vehicle**" means a truck or truck-tractor or the combination of a truck or truck-tractor pulling a trailer or semitrailer. When a truck or truck-tractor pulling a trailer or semitrailer is licensed pursuant to the provisions of this Subsection, a separate license plate shall be issued for each truck or truck-tractor and for each trailer or semitrailer for the fee prescribed in this Subsection.

(3) Before a person shall be allowed to license a vehicle pursuant to the provisions of this Subsection, the person shall sign an affidavit (OTC Form 754-2) attesting to the fact that he is familiar with the purposes for which vehicles may be used and that he will not use such vehicle for any other purpose. Any person who signs such an affidavit when such person does not believe that the information in the affidavit is true or knows it is not true, upon conviction, shall be guilty of perjury and shall be punished as provided for by law. A violation of the provisions of this Subsection shall also be grounds for revocation of driver's license.

(4) The penalty on forest power plates shall be charged, as provided in 710:60-3-35(a). Excise tax on forest power vehicles is based upon the TDP of the power unit or trailer.

(d) **Wrecker/towing service registration and license plate.** A distinctive license plate is issued to all wrecker/towing vehicles operated by licensed wrecker/towing services, with the exception of apportioned wrecker/towing vehicles, which display apportioned plates. Wrecker/towing services

are licensed annually by the Oklahoma Department of Public Safety. A copy of the current Department of Public Safety individual vehicle permit, listing the vehicle identification number of the vehicle being registered, is required to be presented at the time of each original and renewal registration. The registered laden weight of a wrecker or tow vehicle is the gross weight of the wrecker or tow vehicle alone, without any inclusion of weight for a vehicle towed by the wrecker or tow vehicle. Standard commercial vehicle registration fees apply.

(e) **Cotton module transporter truck and license plate.** A motor vehicle used for the purpose of transporting cotton modules from the point of production to the first point of delivery or cotton gin, shall be registered as a cotton module transporter, at the statutorily designated registration fee. A distinctive license plate shall be issued. Any person registering a cotton module transporter must also complete and submit a "Declaration of Gross Vehicle Weight for a Cotton Module Transporter" (OTC Form 786 CMT). If a laden weight of 55,000 pounds or more is indicated, the owner must verify compliance with federal heavy highway vehicle use tax guidelines.

(f) **Construction machinery registration and license plate.** Construction machinery is defined as machines or devices drawn as trailers which are designed and used for construction, tree trimming and waste maintenance projects, which derive no revenue from the transportation of persons or property, whose use of the highway is only incidental and which are not mounted or affixed to another vehicle; provided, construction machinery shall not include implements of husbandry as defined in Section 47 OS § 1-125. Construction machinery is issued a distinctive license plate, but is otherwise registered in the same manner as nonexpiring commercial trailers. Motor vehicle excise tax of 3 ¼% still applies.

## SUBCHAPTER 5. MOTOR VEHICLE TITLES

### PART 5. CERTIFICATES OF TITLE

#### 710:60-5-53. Salvage titles

(a) **Salvage vehicle defined.** A salvage vehicle is a vehicle ten (10) model years and newer which has been damaged by collision or other occurrence to the extent that the cost of repairing the vehicle for safe operation on the highway exceeds sixty percent (60%) of its fair market value at the time of loss.

(b) **Determining classification as a salvage vehicle.** To determine the 10 year model age limit for this purpose, subtract 9 from the current latest manufacturer's model on sale. July 1 is the generally accepted date that new model vehicles go on sale. For example, prior to July 1, 2006, the latest manufacturer's model on sale were 2006 models. Therefore, during the one (1) year period ending June 30, 2006 (7/1/05 through 6/30/06), a ten year old vehicle would have been a 1997 (2006-9) model. During that period, 1996 and older models were exempt from the salvage requirements. Beginning July 1, 2006, 2007 model vehicles officially (per this guideline) went on sale, resulting in 1997 models becoming exempt from the salvage requirements. This formula for determining the age of a model year will apply to all such determinations regarding salvage and rebuilt vehicles.

(c) **Change of classification.** Vehicles over 10 model years old may go in to, or come out of, salvage at any time. No inspection is required to bring such vehicles out of salvage.

(d) **Out-of-state salvage titles.** Vehicles over 10 model years old entering Oklahoma with an out-of-state salvage title may receive either a salvage title or standard (green) title with a salvage date listed.

(e) **Notification by insurance companies.** An insurance company paying a loss on a vehicle where the cost of repairing the vehicle for safe operation on the highway exceeds 60% of its market value, or pays a claim for a flood-damaged vehicle as defined in 47 O.S. § 1105, is required to

notify the vehicle owner to surrender the title to the Oklahoma Tax Commission or a motor license agent so that it may be replaced by a salvage title. The Motor Vehicle Division will also be notified by the insurance company. The notice shall include the estimated total damage percentage determination of the actual cash value made by the insurance company to repair the vehicle for safe operation on the highway.

(f) **Transfer title to insurance company on payment of total loss due to theft; removal of salvage notation.** The ownership of any unrecovered vehicle which has been declared a total loss by an insurer because of theft shall be transferred to the insurer by an unrecovered-theft vehicle title; provided, the ownership of any such vehicle which has been declared a total loss by an insurer licensed by the Oklahoma Insurance Department and maintaining a multi-state motor vehicle salvage processing center in this state shall be transferred to the insurer by a salvage or an unrecovered-theft title without the requirement of a visual inspection of the vehicle identification number by the insurer. Should a vehicle for which the Oklahoma certificate of title has been placed on serial inspection hold be stolen and a total loss paid to the owner by an insurer pursuant to the process outlined in this paragraph, an unrecovered theft salvage transfer title may be issued in the name of the insurer, but placed on serial inspection hold pending recovery of the vehicle and confirmation of the vehicle identification number. Upon recovery of the vehicle, the ownership shall be transferred by an original title, salvage title, or junked title, as may be appropriate based upon an estimate of the amount of loss submitted by the insurer.

(g) **License plate not affected by salvage classification; current registration generally required.** The license plate from a vehicle entering salvage status need not be surrendered. However, registration must be current on a vehicle entering salvage status, unless it is being titled by a salvage dealer.

(h) **Flood damaged brand.** A salvage or rebuilt vehicle which was damaged by flooding, or a vehicle which was submerged at a level to or above the dashboard of the vehicle and on which an amount of loss was paid by the insurer, shall have the notation "Flood Damaged" listed on the face of the Oklahoma title.

(i) **Multi-state motor vehicle salvage processing centers.** Insurance companies licensed by the Oklahoma Insurance Department and which maintain a multi-state motor vehicle salvage processing center in this state may be issued an Oklahoma original salvage title on an unrecovered stolen vehicle without a visual inspection of the vehicle identification number (VIN) or odometer. For a vehicle to qualify, the following conditions must be met:

- (1) The vehicle has been stolen and not yet recovered;
- (2) An out-of-state title, assigned to the qualifying insurance company, must be submitted. An Oklahoma title may not be issued if an existing Oklahoma title record is on file reflecting a VIN inspection "hold"; and,
- (3) One of the following documents, verifying the theft of the vehicle, must be submitted:
  - (A) Stolen vehicle report;
  - (B) Insurer's proof of loss; or,
  - (C) A statement from the insurer verifying that the vehicle was stolen and has not yet been recovered.

## **SUBCHAPTER 7. MOTOR VEHICLE EXCISE TAX**

### **710:60-7-3. Excise tax levy and exemptions**

(a) **General levy on transfer of legal ownership.** Excise Tax is levied on every exchange of legal ownership on any vehicle registered or being registered in Oklahoma unless a specific tax exemption applies.

(b) **Exemptions.** Following is information on some of the more frequently encountered exempt situations:

(1) **Husband and wife; parent and child.** Only transfers made without consideration between husband and wife, parent and child, or vice versa, are exempt. A Family Affidavit (Form 794) must be included with the other supporting documentation and is to be attached to the Title documentation. This exemption does not apply to transfers between in laws or grandparents to grandchildren.

(2) **Out-of-state residence and registration; nonresident military.** Any vehicle brought into Oklahoma by a person formerly living in another state is exempt, if the person owned and registered the vehicle in such other state of his residence at least sixty (60) days prior to the time it is required to be registered in Oklahoma. Nonresident members of the Armed Forces stationed in Oklahoma may register their vehicle without excise tax if the vehicle has been registered by them in another state (60 day limit does not apply).

(3) **Governmental entities.** Any vehicle is exempt if registered by the State of Oklahoma or any political subdivision thereof. Additionally, vehicles leased by a county, municipality, or a school district are exempt from the excise tax.

(4) **Title by inheritance.** Any vehicle on which legal ownership was obtained by inheritance is exempt from the levy of the excise tax.

(5) **Certain transfers of corporations and partnerships.** Legal Ownership of vehicles obtained by transfer as set out in Section 2105(9) of Title 68 **may** also be exempt.

(6) **Moped.** A motorized bicycle (moped) is exempt if sales tax was paid.

(7) **Rural water districts.** A Rural Water District is exempt.

(8) **Rural electric cooperatives.** A Rural Electric Coop is exempt.

(9) **Federal reserve banks.** Federal Reserve Banks are exempt.

(10) **Vehicles registered under International Registration Plan.** Transfer of vehicles registered under the International Registration Plan between lessor and lessee at the termination of the lease are exempt from the excise tax.

(11) **Short term rentals by rental companies.** Vehicles acquired by rental companies not to be rented for terms of more than 90 days may be registered and titled by the rental agency exempt from excise tax. An Oklahoma title branded "Rental Vehicle" will be issued. If the vehicle is sold less than one (1) year from date of issuance of the title, the rental agency must pay the excise tax that would have been due on the vehicle, plus a 20% penalty before transferring the vehicle, unless the vehicle is being transferred to the manufacturer or its financing company, to a franchised dealer of the same line/make of the vehicle to be transferred, or to anyone, if the vehicle is in a salvage condition (salvage or junk title).

(12) **Foreclosure of lien or mortgage; insurance contracts.** Any vehicle, the ownership of which was obtained by the lienholder or mortgagee under or by foreclosure of a lien or mortgage in the manner provided by law or to the insurer under subrogated rights arising by reason of loss under an insurance contract, is exempt from excise tax.

(13) **New vehicles registered by new car dealers.** A new vehicle registered by a new vehicle dealer is exempt for a period of four (4) months.

(14) **Insurance companies.** An insurance company may obtain title to a vehicle on which they paid a loss exempt from excise tax.

(15) **Revocable trusts.** Transfers made without consideration between an individual and an express trust which that individual or the spouse, child or parent of that individual has a right to revoke are exempt.

(16) **Limited liability companies.** A limited liability company is a combination of a corporate and a partnership business organization structure. Excise tax exemption applies to the following

transfers:

(A) Transfers to the limited liability company if former owners are members of the limited liability company and the interest in the company is in proportion to interest in the vehicle prior to the transfer. A notarized bill of sale indicating such will be required as supporting documentation.

(B) Transfers of ownership from a limited liability company to members when a dissolution is made. A notarized affidavit indicating such is required.

(17) **Vehicle lease or lease-purchase agreements.** Transfers of ownership of a vehicle acquired by a lessee are exempt from excise tax, provided the vehicle excise tax was paid at the time of the initial lease or lease-purchase agreement and an Oklahoma title was issued.

(18) **Fire Protection Districts.** Vehicles acquired by a Fire Protection District are exempt from the levy of excise tax.

(19) **Exemption for disabled veterans in receipt of compensation at the one hundred percent rate.** Persons who have been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard, and who have been certified by the United States Department of Veterans Affairs, or its successor, to be in receipt of compensation at the one hundred percent (100%) rate for a permanent disability sustained through military action or accident or resulting from a disease contracted while in such service is exempt from vehicle excise tax for one (1) vehicle in a consecutive three (3) year period.

(A) To prove eligibility a disabled veteran must submit either an Oklahoma Tax Commission exemption card with the notation "Sales Tax Exemption:100% Disabled Veteran" or a letter from the United States Department of Veterans Affairs, its successor, or the Armed Forces of the United States, certifying that the veteran is receiving disability compensation at the 100% rate.

(B) In order to qualify for the exemption, the vehicle must have been purchased on or after July 1, 2005 and the name of the eligible disabled veteran must be included as an owner on the vehicle title.

(C) The consecutive three (3) year period computation is to be based upon the actual purchase date of the vehicle(s), as reflected in the ownership assignment date on the MSO or title certificate surrendered to the Commission at time of title application. To qualify for this excise tax exemption, the actual date of purchase of the vehicle must be more than three (3) years removed from the date of purchase of the prior vehicle to which the exemption was most recently applied.

(20) **Exemption for repossessed vehicle transferred back to former owner.** Ownership of a vehicle transferred by the reposessor back to the former owner(s) within thirty (30) days of issuance of the repossession title.

(A) Ownership must be identical to that reflected in the title record immediately prior to issuance of the repossession title. Ownership (as assigned by the reposessor) may reflect an additional name without the assessment of excise tax only if an exemption exists between the owners. Otherwise, any change in ownership will result in the assessment of excise tax.

(B) Title assignment to the former owner(s) must be completed within thirty (30) days of issuance of the repossession title.

#### **710:60-7-5. Licensed dealer exemptions**

(a) **Determination of latest manufactured model vehicle.** For the purpose of determining an exemption for licensed dealers, the latest manufactured model vehicle is the newest year of vehicle

available at the retail level. For this purpose, July 1 is the date that most vehicles for the next year go on sale. If a certain model comes out before that date, that model becomes the latest manufactured model for that specific line.

(b) **New dealers.** Any vehicle of the latest manufacturers model purchased by a franchised Oklahoma motor vehicle dealer which holds a franchise of the same line or make as the vehicle being registered is exempt from excise tax. This exemption does not apply if the vehicle is of a different make than the dealer's franchise. In that situation, "new vehicle" excise tax would be assessed. New dealers may register a vehicle for a period of four (4) months for personal use by an individual. A photocopy of the MSO should be surrendered at the tag agency and a title record will be created showing a hold status of "DM" with no excise tax due.

(c) **Used dealers.** Any vehicle owned and being offered for sale by a person currently licensed as a dealer in used vehicles is exempt from excise tax except on the latest manufactured model. If the vehicle is being titled from an MSO or is the latest manufactured model and has not been previously titled and excise tax paid in Oklahoma, excise tax is due and the "new vehicle" rate will be charged. The assignment must be made to the dealership's name only. However, a title with an assignment showing an ~~individuals~~ individual's name "DBA" a dealership name will be accepted if the dealership is a partnership or is individually owned and the name on the assignment is a partner or the owner. Excise tax is ordinarily not exempt when transferring ownership from a licensed dealership to the individual owner of the dealership. ~~Refer to OAC 710:60-3-57.~~

#### **710:60-7-8. Tornado excise tax credit**

Credit will be allowed with respect to the excise tax due on a vehicle which is a replacement for a vehicle destroyed by a tornado on October 9, 2001, or May 8 or 9, 2003, or destroyed by a tornado in 2013 for which a Presidential Major Disaster Declaration was issued and on which excise tax had been paid on or after January 1, 2012. ~~Unless otherwise noted, excise~~ ~~Excise~~ tax on the destroyed vehicle must have been paid within one (1) year preceding the loss. Credit will be allowed in the amount of excise paid on the destroyed vehicle, excluding any penalties. The credit may only offset any excise tax due on the replacement vehicle. No excess credit may refunded.