

**TITLE 710. OKLAHOMA TAX COMMISSION  
CHAPTER 95. MISCELLANEOUS AREAS OF  
REGULATORY AND ADMINISTRATIVE AUTHORITY**

**RULEMAKING ACTION:**

Notice of proposed **PERMANENT** rulemaking.

**PROPOSED RULES:**

Chapter 95. Miscellaneous Areas of Regulatory and Administrative Authority [AMENDED]

**SUMMARY:**

As part of the Commission's ongoing review of its rules, proposed amendments to the existing Miscellaneous Areas of Regulatory and Administrative Authority rules have been made. All legislative references are to the First Regular Session of the 55<sup>th</sup> Legislature (2015) unless otherwise indicated.

Section 710:95-5-9 has been amended to correct inaccurate numbering.

Section 710:95-22-2 has been amended to implement Senate Bill 499 which adds an exception to the requirement for employer identification numbers by allowing an out-of-state business that conducts operations within the state for purposes of performing work or services related to a declared state disaster or emergency during the disaster response period to not possess certain identification numbers issued by the Oklahoma Tax Commission, Oklahoma Employment Security Commission, Internal Revenue Service and Social Security Administration.

In addition, other rule changes may be made to clarify policy, improve readability, correct scrivener's errors, remove obsolete language, update statutory citation, and ensure accurate internal cross-references.

**AUTHORITY:**

68 O.S. § 55005

**COMMENT PERIOD:**

Persons wishing to make written submissions may do so by **4:30 p.m., March 2, 2016**, to the Oklahoma Tax Commission, Tax Policy and Research Division, 2501 North Lincoln Boulevard, Oklahoma City, Oklahoma 73194.

**PUBLIC HEARING:**

A public hearing will be held to provide an additional means by which suggestions may be offered on the content of the proposed rules. Time, date and place of the hearing are as follows: **March 4, 2016 at 2:00 p.m.** in the 4<sup>th</sup> floor hearing room at the Oklahoma Tax Commission, 2501 Lincoln Blvd., Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date by calling Kali Walker at (405) 521-3133.

In order to facilitate entry into the building, those wishing to appear should contact Kali Walker at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. Entry to the M.C. Connors' building must be made through the doors located on the east side of the building. In order to gain access to the 4<sup>th</sup> floor hearing room, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification. A name badge and floor access card will be issued once registration is completed.

Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

**REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:**

Although nothing in this rulemaking action has been determined to adversely impact small business, the Oklahoma Tax Commission (OTC) requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar

amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed Rules.

**COPIES OF PROPOSED RULES:**

Interested persons may inspect proposed rules at the offices of the Oklahoma Tax Commission, Tax Policy Division, 5th floor, M. C. Connors Building, 2501 North Lincoln Boulevard, Oklahoma City, Oklahoma. Copies of proposed rules may be viewed online at [www.tax.ok.gov](http://www.tax.ok.gov).

**RULE IMPACT STATEMENT:**

A Rule Impact Statement will be prepared and will be available for review from and after **February 1, 2016**, from the same source listed above for obtaining copies of proposed rules.

**CONTACT PERSON:**

Christy Caesar, Agency Liaison. Phone: 405-521-3133; FAX: 405-522-0063; Email: [ccaesar@tax.ok.gov](mailto:ccaesar@tax.ok.gov)

# CHAPTER 95. MISCELLANEOUS AREAS OF REGULATORY AND ADMINISTRATIVE AUTHORITY

## SUBCHAPTER 5. USED TIRE RECYCLING

### 710:95-5-9. Examples

(a) **Transactions to which fee is applicable.** The used tire recycling fee applies to the transactions and vehicles indicated in (1) through (8) of this subsection:

- (1) Cars and light trucks.
- (2) Motorcycles and mopeds.
- (3) School buses and automobiles owned by schools.
- (4) Tires sold to governmental agencies.
- (5) Tires sold for farm tagged motor vehicles.
- (6) Tires sold for commercial trucks, truck-tractor (semi-trucks), and trailers.
- (7) First registration in Oklahoma of automobiles, motorcycles, mopeds, or trucks, including farm tagged motor vehicles and commercial motor vehicles which are not registered under the International Registration Plan.
- (8) Tires sold for implements of husbandry and agricultural equipment.

(b) **Transactions to which fee is not applicable.** The used tire recycling fee does not apply to the transactions and vehicles indicated in (1) through ~~(11)~~ (10) of this subsection:

- (1) Airplanes.
- (2) Bicycles.
- (3) Riding lawn mowers.
- (4) Wheelbarrows.
- (5) Push mowers.
- (6) Forklifts.
- (7) Tires sold for backhoe, grader, and other construction machinery.
- (8) First registration in Oklahoma of vehicles registered under the International Registration Plan.
- (9) All-terrain vehicles.
- (10) Off-road motorcycles.

## SUBCHAPTER 22. REGISTRATION REQUIREMENTS FOR RESIDENT AND NONRESIDENT CONTRACTORS

### 710:95-22-2. Requirement for contractors to possess certain employer identification numbers

(a) **Requirement for employer identification numbers.** Resident and nonresident contractors must have in their possession employer identifications numbers issued to them by the Oklahoma Tax Commission, Oklahoma Employment Security Commission, Internal Revenue Service and Social Security Administration. [See: 68 O.S. § 1701.1]

(b) **Exceptions.** The requirement set forth in subsection (a) of this Section does not apply under the following circumstances:

- (1) A contract for an entire project requiring services of less than three (3) employees.
- (2) A resident contractor constructing a single family dwelling when the total cost of the project

is less than the average sales price of a single family dwelling in this state as set each year by the National Association of Home Builders.

(3) An out-of-state business that conducts operations within the state for purposes of performing work or services related to a declared state disaster or emergency during the disaster response period. [See: 68 O.S. § 55005]

# OKLAHOMA TAX COMMISSION

## Rule Impact Statement

### CHAPTER 95 Miscellaneous Areas of Regulatory and Administrative Authority

**RULE IMPACT STATEMENT:** This statement is provided in conjunction with the following rulemaking action(s):

**Subchapter 5. Used Tire Recycling**

**710:95-5-9. Examples [Amended]**

- (a.) **Purpose of the Proposed Rule:** The proposed rulemaking action was undertaken to correct inaccurate numbering.
- (b.) **Classes Affected:** All taxpayers.
- (c.) **Persons Benefited:** All taxpayers.
- (d.) **Probable Economic Impact:**
- 1. On Affected Classes:** No economic impact based on this rule change is anticipated
  - 2. On Political Subdivision:** The amendment is not expected to adversely impact other political subdivisions of the State.
  - 3. Fees:** The rulemaking action does not levy, implement, or increase an existing fee.
- (e.) **Probable Costs to the Agency:** Costs to promulgate and enforce the proposed rule will be funded through normal agency budget. No measurable impact on State revenues is anticipated.
- (f.) **Will the Rule Impact Political Subdivisions?** No economic impact on or need for cooperation from political subdivisions is anticipated.
- (g.) **Small Business Impact:** After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rule will have no adverse impact upon Small Business.
- (h.) **Alternative Methods and Costs of Compliance:** There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of this proposed rule. No formalized compliance cost minimization measures have been pursued.
- (i.) **Public Health/Safety/Environmental Concerns:** The proposed rules are not anticipated to have any effect on public health, safety, or the environment—either beneficial or otherwise.
- (j.) **Effect of Non-Implementation on Environment:** If the proposed rules are not promulgated, no effect on the public health, safety, or the environment will result.
- (k.) **Date:** January 30, 2016                      **Date Modified:**        N/A
- (l.) **Prepared By:** Christy Caesar                      **Phone Number:**        522-3133

# OKLAHOMA TAX COMMISSION

## Rule Impact Statement

### CHAPTER 95 Miscellaneous Areas of Regulatory and Administrative Authority

**RULE IMPACT STATEMENT:** This statement is provided in conjunction with the following rulemaking action(s):

**Subchapter 22. Registration Requirements for Resident and Nonresident Contractors**

**710:95-22-2. Requirement for contractors to possess certain employer identification numbers [Amended]**

- (a.) **Purpose of the Proposed Rule:** The purpose of the rulemaking action is to add an exception to the requirement for employer identification numbers by allowing an out-of-state business that conducts operations within the state for purposes of performing work or services related to a declared state disaster or emergency during the disaster response period to not possess certain identification numbers issued by the Oklahoma Tax Commission, Oklahoma Employment Security Commission, Internal Revenue Service and Social Security Administration.
- (b.) **Classes Affected:** Out-of-state businesses that conduct operation within the state for purposes of performing work or services related to a declared state disaster or emergency during the disaster response period.
- (c.) **Persons Benefited:** Out-of-state businesses that conduct operation within the state for purposes of performing work or services related to a declared state disaster or emergency during the disaster response period.
- (d.) **Probable Economic Impact:**
- 1. On Affected Classes:** No economic impact based on this rule change is anticipated
  - 2. On Political Subdivision:** The amendment is not expected to adversely impact other political subdivisions of the State.
  - 3. Fees:** The rulemaking action does not levy, implement, or increase an existing fee.
- (e.) **Probable Costs to the Agency:** Costs to promulgate and enforce the proposed rule will be funded through normal agency budget. No measurable impact on State revenues is anticipated.
- (f.) **Will the Rule Impact Political Subdivisions?** No economic impact on or need for cooperation from political subdivisions is anticipated.
- (g.) **Small Business Impact:** After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rule will have no adverse impact upon Small Business.
- (h.) **Alternative Methods and Costs of Compliance:** There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of this proposed rule. No formalized compliance cost minimization measures have been pursued.
- (i.) **Public Health/Safety/Environmental Concerns:** The proposed rules are not anticipated to have any effect on public health, safety, or the environment—either beneficial or otherwise.
- (j.) **Effect of Non-Implementation on Environment:** If the proposed rules are not promulgated, no effect on the public health, safety, or the environment will result.
- (k.) **Date:** December 16, 2015                      **Date Modified:**        N/A
- (l.) **Prepared By:** Morgan Lankford              **Phone Number:**        522-3133