

assessment fee) was begun in 1989, which brought the total Oklahoma tax per gallon to \$0.17. The \$0.17 per gallon tax applies both to gasoline purchased in Oklahoma and in certain cases, gasoline “imported” into Oklahoma. A new tax, effective January 1, 2012, applies to compressed natural gas. It is \$ 0.05 per “gasoline gallon equivalent.” Table 2 shows the distribution of the gasoline and compressed natural gas taxes. Notice that four lump-sums or percents are taken “off the top” before additional tax revenues are apportioned to other funds, including county funds.

Out of the 16-cent tax, \$.051875 actually goes to counties for roads and bridges. Table 2, Formula 1 shows that about half of the counties’ \$.051875 is apportioned using a formula whose components are county road mileage, population, and land area. Road mileage determines more of the apportionment in this case than in Formula 2. Formula 2 equally apportions funds based on the three factors but instead of the latest Bureau of the Census population, as used in Formula 1, Formula 2 calls for use of the “rural population,” the sum of a county’s population living in places of less than 5,000 people. Formula 3 is even more complex. It is used to compute a county’s proportionate share, commonly called a “county road factor” or CR factor. Its computation includes collector miles of county road, the county’s bridge factor, average daily vehicle miles on county roads, and an adjustment for differing road maintenance costs for differing terrain among counties. Smaller portions of the counties’ share of the gasoline excise tax, 3.125% and 2.297%, are distributed to counties based on the CR. The CR factor is derived by ODOT.

Diesel

The total state diesel tax is \$0.13 per gallon with \$0.043927 of the \$0.13 designated for county road and bridge construction and maintenance (Table 3). Table 3 shows four formulas that are used to distribute 26.58% of the diesel excise tax. Formulas 2, 3, and 4 are identical to formulas 1, 2, and 3, respectively, regarding the gasoline excise tax (Table 2). Diesel apportionment formula 1 uses population and land area in equal proportions. Apportionment of the diesel excise tax continues to be very similar to that of the gasoline excise tax as one examines distribution of the 3.85% by Formula 4 and the 3.36% that “shall” be deposited into the County Bridge and Road Improvement Fund. The 3.85% is apportioned using the counties’ CR factors, and the 3.36% is apportioned in the same way. This CR factor is the same factor used to apportion the last two components of the gasoline excise tax to counties.

Special Fuel Excise Tax

Special fuels are defined by statute as all combustible gases and liquids, including liquefied gases, which exist in the gaseous state at a temperature of 60° F (such as butane and propane). The total tax is \$0.16 per gallon with \$0.05442 per gallon going to counties for road and bridge construction and maintenance (Table 4). The special fuel tax applies to imported special fuel, as well as that sold in Oklahoma. As noted at the bottom of Table 4 and further illustrated in Table 1, the dollar amount of special fuel tax collections is relatively small, so a detailed discussion of each apportionment component is not presented in this fact sheet. However, the necessary statute references to investigate the apportionment details are all presented in Table 4.

Gross Production Tax

Counties have an interest in gross production tax revenues, which are generated by a 7% levy on the value of production of oil and gas and a tax levy of 0.75% of the gross value of asphalt and ores bearing lead, zinc, jack, gold, silver, and copper. Between January 1, 1999 and June 30, 2013, lower tax rates may apply depending upon the price of oil or gas. These lower rates were applicable in the past when the price per barrel of crude fell below \$17.00 and when the price per mcf of gas fell below \$2.10. As stated above, these provisions are set to expire June 30, 2013. At one time, counties received a portion of gross production taxes directly proportional to the value of current production. As shown in Table 5 below, counties now receive their share of this tax based on the county’s proportionate share of production value in the corresponding month of the preceding year. Conversely, counties with little or no production receive little or no gross production tax revenue. (In addition to the levy described above, the State of Oklahoma levies an additional gross production tax on oil and gas of less than a tenth of a percent (68 O.S. §§ 1101-1102). None of this tax is apportioned to counties.)

Table 5 details the apportionment of the gross production taxes. Of the levy collected on gas, asphalt, and ores, 7.14% is apportioned to counties. Each county’s proportion is based upon the proportion of the total value of production from the county in the corresponding month of the preceding year (68 O.S., § 1004). Of the levy collected on oil production, 3.745% is apportioned to the County Bridge and Road Improvement Fund of the State, and 7.14% is apportioned to county highway funds. The 3.745% is apportioned using the CR factors discussed previously. The 7.14% is apportioned like the gas and ores revenues – proportionate to a county’s value of production in the preceding year. Hence, gross production taxes to counties are principally based upon their recent production history. Whether the dollar amount of revenue increases or decreases depends upon the value of production.

Motor Vehicle License and Registration Fees

A wide variety of license and registration fees apply to the various categories of motor vehicles. Generally speaking, these taxes vary according to the type, age, value, and use of the vehicle. For example, an excise tax of 3.75% of value is levied on the sale of a new passenger vehicle. For used passenger vehicle sales, an excise tax of \$20 on the first \$1,500 of value plus 3.75% on the remaining value is levied (68 O.S. § 2103). Furthermore, passenger vehicles pay an annual fee of \$15 to \$85 depending upon the age of the vehicle. Commercial vehicles pay a general license fee ranging from \$95 to \$1,078 per year depending upon the weight of the vehicle (47 O.S. § 1133). Drivers’ license fees (47 O.S. § 6-101), tax on vehicle rentals (68 O.S. § 2110), and permit fees related to size, weight, and load (47 O.S. § 14-116) are similarly apportioned. Additional fees are levied on vehicles annually (such as those detailed in 47 O.S. §§ 1132, 1132.1, 1132.4, 1132.5), but these additional fees are not apportioned as described here and in Table 6. Of the applicable excise, license, and registration fees levied, whose distribution includes an apportionment to county roads, multiple percentages are returned to counties for construction and maintenance of roads

Table 6. Apportionment of Vehicle License and Registration Fees / Taxes

First, before other apportionments are made:

1. The first \$400,000 of commercial vehicle license fees shall be deposited in the General Revenue Fund of the State Treasury (47 O.S. § 1133 D).
2. The first \$100,000 collected pursuant to the registration of motorcycles and mopeds shall be placed in the Oklahoma Tax Commission Revolving Fund (47 O.S. § 1104 O).
3. Each motor license agent accepting applications for driver licenses shall receive Two Dollars (\$2.00) to be deducted from the total collected for each license or renewal application accepted. The two-dollar fee received by the motor license agent shall be used for operating expenses (47 O.S. § 6-101 M).
4. The first Sixty Thousand Dollars (\$60,000.00) of all monies collected pursuant to this section shall be paid by the Oklahoma Tax Commission to the State Treasurer to be deposited in the General Revenue Fund of the State Treasury (47 O.S. § 6-101 N).
5. The next Five Hundred Thousand Dollars (\$500,000.00) of monies collected pursuant to this section shall be paid by the Tax Commission to the State Treasurer to be deposited each fiscal year under the provisions of this section to the credit of the Department of Public Safety Revolving Fund for the purpose of the Statewide Law Enforcement Communications System (47 O.S. § 6-101 N).
6. A part of certain commercial driver’s license fees (\$5.75 or \$6.75 per license fee) shall be deposited to the Department of Public Safety Computer Imaging System Revolving Fund (47 O.S. § 6-101 (I)); a total of \$5,205,176 in FY 2010.
7. \$5.50 of each fee charged for issuing or renewing driver’s license shall be deposited to the Trauma Care Assistance Revolving Fund (47 O.S. § 6-101 (I)); a total of \$3,308,972 in FY 2010.
8. \$1 of the Vehicle Registration Fee was designated as a replacement to the \$5 Vehicle Inspection Fee and is apportioned 50% to the General Revenue Fund and 50% to the Law Enforcement Retirement Fund. The first \$500,000 is apportioned to Department of Public Safety Patrol Vehicle Revolving Fund (47 Sec. 1132.4); a total of \$850,000 in FY 2010.
9. All monies in excess of \$1,216,000 from permit and overweight truck permit fees shall be apportioned to the Weigh Station Improvement Revolving Fund (47 Sec. 14-116).
10. For vehicles used exclusively off-road, an initial and nonrecurring registration fee of \$11.00 shall be assessed; \$9 of the \$11 going to the Oklahoma Tax Commission Reimbursement Fund and \$2 of the \$11 retained by the motor license agent (47 Sec. 1132 (C)); a total of \$3,128,529 in FY 2010.

The balance is apportioned as follows:

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| 1. 36.20% apportioned to the various schools districts but not less than the dollar amount received the preceding year. | 47 O.S. § 1104 |
| 2. 29.84% apportioned to the General Revenue Fund of the State but may be less in order to sustain preceding year levels for schools, counties, cities, and towns | 47 O.S. § 1104 |
| 3. 0.31% apportioned to the State Transportation Fund | 47 O.S. § 1104 |
| 4. 15.00% apportioned to County Improvements for Roads and Bridges Fund of State Treasurer but not less than the dollar amount received the preceding year. | |
| 5. 7.24% apportioned to counties for county road maintenance, construction, and/or debt payments but not less than the dollar amount received the preceding year. | 47 O.S. § 1104 |
| 6. 2.59% apportioned to counties for matching federal aid project funds for roads and bridges but not less than the dollar amount received the preceding year. | |
| 7. 3.62% apportioned to the County Highway Fund but not less than the dollar amount received the preceding year. | |
| 8. 0.83% apportioned to the various counties’ general fund but not less than the dollar amount received the preceding year. | 47 O.S. § 1104 |
| 9. 3.10% apportioned to the various cities and incorporated towns but not less than the dollar amount received the preceding year. | 47 O.S. § 1104 |
| 10. 1.24% apportioned to the OK Law Enforcement Retirement Fund | 47 O.S. § 1104 |
| 11. 0.03% apportioned to the state Wildlife Conservation Fund | 47 O.S. § 1104 |

Formula 1 is used to apportion 7.24% (item 5 above) to the county highway fund based on county road miles, population, and land area.

Formula 1 is also used to apportion 2.59% (item 6 above) whose primary purpose is matching federal funds for roads and bridges. The formula is:

- 40% based on county road mileage relative to the statewide sum of county road mileage
- 30% based on county population relative to statewide population (Bureau of the Census)
- 30% based on county land area relative to statewide land area

Formula 2 is used to apportion 3.62% (item 7 above) to the county highway fund based on the CR factor. (Again, see Formula 3 for gasoline taxes or Formula 4 for diesel taxes.)