TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 25. COIN OPERATED VENDING DEVICES

RULEMAKING ACTION:
Notice of proposed PERMANENT rulemaking.

PROPOSED RULES:
Chapter 25. Coin Operated Vending Devices [AMENDED]

SUMMARY:
The amendment to Section 710:25-1-2 is proposed to implement Section 7 of HB 2780 [2021], effective November 1, 2021, which excludes from the coin-op fee and decal requirement any device dispensing tangible personal property or providing amusement where payment is made solely through the use of a credit or debit card or other electronic or digital payment process. [68:1501]

Other sections may be amended to clarify policy, improve readability, correct scrivener's errors, remove obsolete language, update or correct citations, update contact information, and ensure accurate internal cross-references.

AUTHORITY:
68 O.S. §§ 203 and 1504

COMMENT PERIOD:
Persons wishing to present their views in writing may do so by 4:30 p.m., February 22, 2022, at the following address: Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, Oklahoma 73194, Attention: Lisa Haws, or by email to lhaws@tax.ok.gov.

PUBLIC HEARING:
A public hearing is scheduled for 1:30 p.m. on Wednesday, February 23, 2022, at the Oklahoma Tax Commission, 123 Robert S. Kerr Ave, 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 Lakesha Mackie at (405) 521-3133. 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.

In order to facilitate entry into the building, those wishing to appear should contact Lakesha Mackie at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. In order to gain access to the hearing, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification.

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:**
Copies of the proposed rules may be obtained from the below listed contact person. The proposed rules may also be viewed on the agency's website at [http://www.tax.ok.gov](http://www.tax.ok.gov).

**RULE IMPACT STATEMENT:**
Pursuant to 75 O.S. § 303(D), a Rule Impact Statement will be prepared and available from the below listed contact person. The Rule Impact Statement may also be viewed on the agency's website at [http://www.tax.ok.gov](http://www.tax.ok.gov).

**CONTACT PERSON:**
Lisa R. Haws, Agency Liaison, Tax Policy Division, Oklahoma Tax Commission, Oklahoma City, Oklahoma 73194. Telephone number: 405-521-3133; Email: lhaws@tax.ok.gov
710:25-1-2. Annual vending device fee in lieu of sales tax; exclusions
(a) General provisions. The annual fee paid for vending, music, amusement, and bulk-vending devices shall be in lieu of sales tax. An annual decal is required, depending on the type of device.
(b) Exclusions. Devices which are not subject to the fee or decal requirement include:
   (1) Machines not used for the purpose of vending tangible personal property or for playing music or for amusement are not subject to the levy and need not bear a decal.
   (2) Beginning November 1, 2021, devices that dispense tangible personal property or provide amusement where payment is made solely through the use of a credit or debit card or other electronic or digital payment process. The gross receipts associated with described sales made from these devices are subject to sales tax.
(c) Examples of devices excluded. Examples of devices to which the levy does not apply are:
   (1) Pay telephones;
   (2) Newspaper vending machines;
   (3) Parking meters;
   (4) Gas and electric meters; and
   (5) Devices which vend only postage stamps.
(d) Scope of listed exclusions. The list of examples set out in (c) of this Section is intended to be illustrative only and not all-inclusive.
Pursuant to 75 O.S. §303(D), the Oklahoma Tax Commission provides the following rule impact statement with regard to proposed rule changes to Chapter 25 of Title 710 of the Oklahoma Administrative Code.

DESCRIPTION: The amendment to Section 710:25-1-2 is proposed to implement Section 7 of HB 2780 [2021], effective November 1, 2021, which excludes from the coin-op fee and decal requirement any device dispensing tangible personal property or providing amusement where payment is made solely through the use of a credit or debit card or other electronic or digital payment process.

CLASSES AFFECTED: Every person who owns and has available to the public for operation or who permits to be operated in his place of business a coin-operated device.

PERSONS BENEFITED: Every person who owns and has available to the public for operation or who permits to be operated in his place of business a coin-operated device.

PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS: There are no anticipated increase to costs associated with the proposed rule change.

LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE: The rulemaking action does not levy, implement, or increase an existing fee.

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.

ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS: The agency does not anticipate any economic impact on any political subdivision to implement the proposed rule change at this time.

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.
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.

DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT: The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rule at this time.

DETERMINATION OF THE DETRIMENTAL EFFECT WILL THERE BE ON THE PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF THE RULE CHANGE IS NOT IMPLEMENTED: The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rule at this time.

DATE PREPARED: December 15, 2021