CHAPTER 55. MOTOR FUEL

SUBCHAPTER 4. MOTOR FUEL TAX

PART 3. EXEMPTIONS AND REFUNDS

710:55-4-114. Procedure for perfecting and claiming exemption for sales to certain exempt entities

(a) **Exempt entities.** An exemption may be claimed for motor fuel:

(1) Sold to the United States or any agency or instrumentality thereof;

(2) Used solely and exclusively in district-owned public school vehicles or FFA and 4-H Club trucks for the purpose of legally transporting public school children;

(3) Purchased by any school district for use exclusively in school buses leased or hired for the purpose of legally transporting public school children, or in the operation of vehicles used in driver training;

(4) Used solely and exclusively as fuel to propel motor vehicles on the public roads and highways of this state, when leased or owned and being operated for the sole benefit of a county, city, town, a volunteer fire department with a state certification and rating, rural electric cooperatives, rural water and sewer districts, rural ambulance service districts, ambulance districts established under Section 9C of Article X of the Oklahoma Constitution, or federally recognized Indian tribes; or

(5) Used by the Oklahoma Space Industry Development Authority or any spaceport user, as defined in 68 O.S. § 500.10(17).

(b) **Perfection by ultimate vendor.** The exemption for sales of motor fuel for use by the exempt entities described in subsection (a) shall be perfected by the ultimate vendor, by obtaining an exemption certificate signed by the purchasing entity. Upon obtaining the certificate, the ultimate vendor shall complete the sale to the purchasing entity without requiring payment of the motor fuel tax. Upon completion of the sale, the ultimate vendor shall execute an ultimate vendor certificate (on forms provided by the Commission) to its supplier. The ultimate vendor certificate shall include the identity of the purchasing entity.

(c) **Supplier to claim credit.** The supplier shall be eligible to claim a credit against the tax liability on the ensuing monthly report of the supplier after having made reasonable commercial inquiry into the accuracy of the information in the certificate. For purposes of this Section, "**reasonable commercial inquiry**" means that the supplier shall verify:

(1) That the ultimate vendor certificate is completed in its entirety, including the identity of the purchasing entity; and

(2) That the purchasing entity is exempt from the payment of motor fuel tax pursuant to paragraphs 5, 6, 7, or 17 of Section 500.10 of Title 68 of the Oklahoma Statutes.

SUBCHAPTER 7. SPECIAL FUELS TAX

710:55-7-2. Requirements to obtain special fuel user license

In addition to the application required to be filed with the Oklahoma Tax Commission, the applicant for a special fuel user license must file **a bond or other acceptable security**, with the Tax Commission. [**See:** 68 O.S. §709(a)]

(1) The bond shall be made payable to the State of Oklahoma.

(2) A **bond or other acceptable security** shall be required for each application for license. The bond will not be in excess of Twenty-five Thousand ($25,000) Dollars.

(3) The amount of the bond required shall be:

(A) One Thousand ($1,000) Dollars, in relation to a special fuel user's license; One Thousand ($1,000) Dollars in relation to a special fuel dealer's license; **or**,

(B) Three (3) times the monthly tax liability (or estimated monthly tax liability in the case of a new applicant) if the taxpayer is on a monthly reporting basis.

(4) The amount of the bond required under 68 O.S. §709(b) and (3) of this subsection shall be determined by the Motor Fuel Section of the ~~Motor Vehicle Division~~Business Tax Division of the Oklahoma Tax Commission. The amount of the bond may be increased or reduced at any time.

(5) Bonds to be given shall be continuous, rather than on an annual basis.