



MEMORANDUM

Council Agenda
Item No. IX.F.
9/26/2017

The City of OKLAHOMA CITY

INTRODUCED AND SET FOR
FINAL HEARING OCTOBER 10,
2017

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Ordinance No. 25,754 to be introduced and adopted with emergency, amending the Oklahoma City Use Tax Code, codified as Article VI of Chapter 52 of the Oklahoma City Municipal Code, 2010, by the enactment of a new Section 52-218.5 of said Article VI and by the repeal of certain expired, ineffective, and obsolete sections in said Article VI; providing for the levy of an excise tax of one percent (1%), on the storage, use or other consumption of tangible personal property; providing that such excise tax of one percent (1%) shall be effective from 12:00 a.m. on January 1, 2018 until 12:00 a.m. on April 1, 2020; providing that such excise tax of one percent (1%) shall be in addition to and cumulative of all existing use taxes levied under said Article VI of Chapter 52 that are effective as of 12:00 a.m. on January 1, 2018; repealing certain expired, ineffective, and obsolete sections of said Article VI of Chapter 52.

(Seven affirmative votes required to declare an emergency).

Background

On June 20, 2017, the Council adopted Ordinance No. 25,751, levying a temporary, limited-purpose, sales tax of one percent (1%) subject to the approval of the voters of Oklahoma City.

On September 12, 2017, the voters of Oklahoma City approved a temporary, limited-purpose, one percent (1%) sales tax to be levied pursuant to Ordinance No. 25,751 as adopted by the City Council on June 20, 2017. The collection of this sales tax will commence at 12:00 a.m. January 1, 2018, and end at 12:00 a.m. April 1, 2020.

If adopted, This ordinance will put into effect a one percent (1%) use tax rate equal to the voter approved sales tax rate. The collection of the sales tax and its companion use tax will commence at 12:00 a.m. January 1, 2018, and end at 12:00 a.m. April 1, 2020. The sales tax and companion use tax will be collected for twenty-seven (27) months.

In order to meet the Oklahoma Tax Commission's deadline to begin collecting the one percent (1%) use tax on January 1, 2018, this item must be adopted with an emergency.

A companion resolution is being introduced today establishing the Councils intended use of the proceeds received from the use tax to be levied pursuant to this ordinance.

Revenue

The use tax will produce approximately \$29 million over the 27 month duration of the tax.

Review

Finance Department

Recommendation: Ordinance be introduced and adopted with emergency.

Attachment