



Capitol Network News

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HOUSE, SENATE PASS INDIAN GAS TAX BILL

By Brandon Beard & Shawn Ashley
Staff Writers

■(GIT) Calling it a reasonable solution to a complex problem, state lawmakers late Thursday gave their approval to a bill designed to address the Indian motor fuel tax question.

HB2208, by Rep. Howard Cotner, D-Frederick, and Sen. Ed Long, D-Enid, was passed by both houses of the legislature. The bill is expected to be sent to the governor, who has voiced his support for the measure, on Friday.

Key provisions of the bill include:

- ✓ Procedures for the exemption for sales of motor fuel to eligible government entities, including Indian tribes, and procedures for motor fuel tax refunds for certain tax exempt users;

- ✓ Precollection of motor fuel taxes by the supplier; and

- ✓ Procedures for Indian tribes to enter into a contract with the state providing that the tribe will not challenge the constitutionality of the act and in return the state will apportion quarterly to the tribes a portion of the state motor fuel tax revenues.

Under the terms of the bill, tribes entering into a contract with the state would receive three percent of the total fuel tax revenues during fiscal year 1997; four percent in fiscal year 1998; and 4.5 percent in fiscal

year 1998 and in following years.

Despite the anticipated annual appropriations to the Indian tribes, estimates from legislative staffs indicate, the state should see an increase in gas tax revenue due to increased compliance with the tax requirements.

The agreement was necessary after the US Supreme Court ruled last June that Indian tribes do not have to pay taxes on motor fuels. In the case, *Oklahoma Tax Commission v Chickasaw Nation*, the court unanimously upheld a ruling by the Tenth Circuit court of Appeals in invalidating Oklahoma's excise tax on motor fuel and diesel fuel sold by Chickasaw Nation retail stores in Indian Country, rejecting Oklahoma's argument that the proper approach to evaluate a direct state

imposed tax on Indian tribes or on tribal members inside Indian Country is to employ a balancing test and weigh the relevant state and tribal interests.

Rep. Howard Cotner, D-Frederick and chief architect of the bill, and other House members described the bill as the best possible solution to what one representative said was "a sticky situation."

Some of the bill's opponents, however, claimed it would make the state a hostage to the Indian nations.

"This will allow one group of citizens to hold another group hostage," Rep. Don Weese, R-Broken Arrow, said. "We don't have to throw in the towel."

Rep. Dan Webb, R-Oklahoma City, said,
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HOUSE REPUBLICANS PUSH PAY PLAN PROPOSAL

By Shawn Ashley
Staff Writer

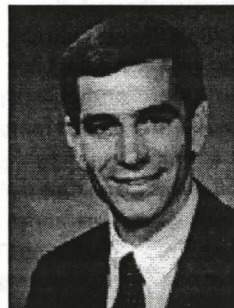
■(GIT) Republicans in the House plan on Friday to push a proposal designed to fund the state employee pay raises vetoed by the governor, a Republican representative told *Capitol Network News*.

"We'll try to do it by inserting it into one of the three Senate appropriations bills scheduled for consideration on Friday," Rep.

Jim Reese, R-Narden, said, referring to a proposal advanced twice on Thursday by Republicans that would appropriate money for the pay raise to 14 agencies.

Those agencies had funding for the pay raise vetoed earlier in the week in a series of line-item vetoes issued by Governor Frank Keating.

Rep. Jim Reese



Rep. Tim Pope, R-Mustang, first raised the issue on Thursday during consideration of **SB832**, which appropriates funds to the State Board of Vocational and Technical Education. Pope tried unsuccessfully to have the bill's conference committee report rejected so that language could be added to "(P)rovide appropriations for the state employee pay raise as authorized by **SB1128** and provide appropriation for the employer's contribution increase for the Oklahoma Pub-

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