

TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 70. TOBACCO, TOBACCO PRODUCTS, AND CIGARETTES

RULEMAKING ACTION: Notice of proposed **PERMANENT** rulemaking.

PROPOSED RULES:

Chapter 70. Tobacco, Tobacco Products, and Cigarettes

Subchapter 2. Cigarette Stamp Tax

Part 1. General Provisions

710:70-2-9.1. Vending Machine Cigarette Licenses [AMENDED]

710:70-2-9.2. Wholesaler's Vehicle Cigarette Licenses [NEW]

SUMMARY:

Establishes distinct rule sections and clarifies licensing requirements for cigarette vending machines and vehicles.

AUTHORITY: 68 O.S. §§ 203, 304, 322, 345, 415 & 420; Oklahoma Tax Commission

COMMENT PERIOD: Persons wishing to present their views in writing may do so by 4:30 p.m., January 6, 2026, at the following address: Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, Oklahoma 73194, Attention: Corey Jager, or by email to OTCadminrules@tax.ok.gov.

PUBLIC HEARING: A public hearing is scheduled for 9 a.m., on Tuesday, January 6, 2026, at the Oklahoma Tax Commission, in Conference Room 6, located on the 28th Floor, 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 (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.

To facilitate entry into the building, those wishing to appear should contact the Tax Policy and Research Division at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. 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 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 tax.ok.gov.

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

CONTACT PERSON: Corey Jager, Agency Liaison, Tax Policy Division, Oklahoma Tax Commission, Oklahoma City, Oklahoma 73194; Telephone number: (405) 521-4155; Email: corey.jager@tax.ok.gov

CHAPTER 70. TOBACCO, TOBACCO PRODUCTS, AND CIGARETTES

SUBCHAPTER 2. CIGARETTE STAMP TAX

PART 1. GENERAL PROVISIONS

710:70-2-9.1. ~~Vehicle and~~ Vending Machine Cigarette Licenses

~~(a) Vehicles and vending machines~~ Each vending machine from which cigarettes are sold constitute a "place of business" and ~~are required to~~ must be permitted. If the vehicle or vending machine is owned or operated by a place of business for which the regular Two Hundred Fifty Dollar (\$250.00) fee has been paid, or if the owner or operator has obtained a retail or wholesale cigarette license, the fee for the vehicle or vending machine is to be \$10.00 and the expiration date of the vehicle or vending machine license permit is to be the expiration date of the permit issued to the other place of business. A separate sales tax permit, designated for cigarette and/or tobacco sales, is required for each machine. If a vending machine sells both cigarettes and other tobacco products, only one permit is needed, provided both product types are listed. A copy of the permit must be displayed inside the machine's glass, visible from the outside.

~~(b) A separate cigarette license permit must be obtained for each vehicle or vending machine. If a vending machine sells both cigarette and tobacco products, only one license is necessary as long as both license types are listed. A copy of the license must be displayed on the inside of the glass, visible from the outside. A separate permit is not required if the vending machine is owned or operated by, and located within, a business that already holds a cigarette or tobacco sales tax permit.~~

~~(c) The physical location address of the vending machine must be provided on the application, and if the vending machine location changes before the license expires, the new address must be provided to the Tax Commission using Form BT-115-C.~~

710:70-2-9.2. Wholesaler's Vehicle Cigarette Licenses

~~(a) Retail sales from vehicles are prohibited. Vehicle Cigarette Licenses may only be issued to licensed cigarette wholesalers. Each vehicle from which cigarettes are sold is considered a "place of business" and must be licensed. A separate vehicle license, designated for cigarette and/or tobacco sales, is required for each vehicle. If a vehicle sells both cigarettes and other tobacco products, only one license is needed, provided both product types are listed. A copy of the license must be displayed on the vehicle and visible from the outside.~~

~~(b) The vehicle identification number (VIN) and tag number must be provided on the application.~~

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 70. TOBACCO, TOBACCO PRODUCTS, AND CIGARETTES**

RULE IMPACT STATEMENT

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 70 of Title 710 of the Oklahoma Administrative Code.

DESCRIPTION: Establishes distinct rule sections and clarifies licensing requirements for cigarette vending machines and wholesaler's vehicles.

No federal mandate governs this rulemaking.

STATEMENT OF NEED AND LEGAL BASIS: Pursuant to 68 O.S. § 203, the Oklahoma Tax Commission is authorized to promulgate and enforce all rules necessary for the administration and collection of state taxes. Additional rule changes in this Chapter are authorized under 68 O.S. §§ 304, 322, 345, 415 & 420.

Clarification was needed as non-qualifying entities and activities had attempted to purchase licenses. The rule change ensures proper licensing, improves compliance oversight, and distinguishes requirements between vending machines and vehicle operations.

CLASSIFICATION OF RULE: Nonmajor. The rules are not anticipated to have implementation and compliance costs.

CLASSES AFFECTED: Members of the tobacco industry, including tobacco vending machine vendors and tobacco wholesalers.

CLASSES BENEFITED: Affected classes may benefit from promulgation of rules that clarify statutory provisions and administrative processes.

COMPREHENSIVE ECONOMIC IMPACT AND METHODOLOGY: The promulgation of these rules is not intended or expected to have any economic impact. The proposed rules are not anticipated to affect the full-time employee count of the agency. Implementation can be managed with existing staff and resources.

The rulemaking action does not levy, implement, or increase any fees.

No direct compliance costs are expected for affected taxpayers. Accordingly, no adverse effect on the state economy is anticipated.

The economic impact analysis was conducted by reviewing statutory requirements, assessing agency resource needs, and evaluating potential effects on affected parties. This review confirmed that the rules do not impose additional financial burdens and instead provide clarity and structure for program administration.

ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS: The promulgation of these rules is not intended or expected to have any economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule.

SMALL BUSINESS IMPACT: After consideration pursuant to the Oklahoma Small Business Regulatory Flexibility Act, it has been determined that the proposed rules will have no adverse impact on small businesses.

MEASURES TO MINIMIZE COSTS OF COMPLIANCE: There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules. 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 rules 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 rules at this time.

DATE PREPARED: November 13, 2025