



2017 Oklahoma Tax and Fee Legislation

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The following are some of the changes in Oklahoma law on state taxation and fees enacted by the Oklahoma Legislature in 2017.

Income Tax

Oklahoma Standard Deduction Decoupled from Federal Standard Deduction. For taxable years beginning on or after January 1, 2017, the Oklahoma income tax standard deduction for individuals was amended to provide it will be determined separately from the federal income tax standard deduction allowed by the Internal Revenue Code. The Oklahoma standard deduction amounts are to be: \$6,350.00 for single or married filing separately, \$12,700.00 for married filing jointly or qualifying widower with dependent child, and \$9,350.00 for head of household, irrespective of the standard deduction allowed for federal income tax purposes. HB 2348, amending 68 O. S. Supp. 2016, §2358; effective January 1, 2017.

Note: An action challenging the constitutionality of enactment of HB 2348 has been filed in the Supreme Court of Oklahoma, *Gary L. Richardson v. State of Oklahoma, ex rel. Oklahoma Tax Commission*, Case No. 116162, filed June 28, 2017, arguing that HB 2348 is a “revenue bill” subject to Article V, §33 of the Oklahoma Constitution, and enactment of the bill did not meet the requirements of that provision of the Constitution.

Zero-Emission Electricity Generation Credit Limited for Wind Facilities. The Oklahoma income tax credit allowed for electricity generated and sold by zero-emission facilities was amended to provide that it will be allowed with respect to electricity generated by wind only for a facility placed in operation not later than July 1, 2017. HB 2298, amending 68 O. S. Supp. 2016, §2357.32A; effective July 1, 2017.

Oklahoma 4.85% Top Individual Income Tax Rate Implementation Repealed. The provision in the Oklahoma Income Tax Act to implement a top marginal individual income tax rate of 4.85% was repealed. SB 170, repealing 68 O. S. Supp. 2016 §2355.1 G.; effective November 1, 2017.

Individual Income Tax Returns. Changes were enacted with respect to Oklahoma income returns for tax years beginning on or after January 1, 2017. Resident individuals whose gross income exceeds the sum of the Oklahoma individual standard deduction and personal exemption must file an Oklahoma income tax return. Resident individuals not required to file a

federal income tax return must attach a completed federal income tax return to the Oklahoma income tax return to show how adjusted gross income and deductions were determined, if their gross income is more than their adjusted gross income. Nonresident individuals having Oklahoma gross income of \$1,000.00 or more must file an Oklahoma income tax return. HB 2348, amending 68 O. S. Supp. 2016, §2368; effective January 1, 2017.

Oklahoma Equal Opportunity Education Scholarship Credits. The Oklahoma income tax credit allowed for contributions made to eligible scholarship-granting organizations and educational improvement-granting organizations under the Oklahoma Equal Opportunity Education Scholarship Act was amended as to the state-wide cap on annual credits allocation. SB 445, amending 68 O. S. Supp. 2016, §2357.206; effective November 1, 2017.

Aerospace Industry Credits. Oklahoma income tax credits for the aerospace industry were extended to be for taxable years ending before January 1, 2026. SB 120, amending 68 O. S. Supp. 2016, §§2357.302-2357.304; effective November 1, 2017.

Withholding from Royalty Owners. Withholding of income tax from royalty owners was amended to provide it will not apply to payments which are made to a publicly-traded partnership that is treated as a partnership for federal tax purposes under the Internal Revenue Code or its publicly-traded partnership affiliates. SB 225, amending 68 O. S. 2011, §2385.26, effective November 1, 2017.

Volunteer Firefighter Credit. The Oklahoma income tax credit allowed to volunteer firefighters was amended with respect to qualification requirements. HB 1833, amending 68 O. S. Supp. 2016, §2358.7; effective July 1, 2017.

Contributions to Folds of Honor Scholarship Program. The income tax return check-off procedure for charitable contributions of refunds due to a taxpayer to the Folds of Honor Scholarship Program will not be subject to the rule that can result in removal of a charity from being listed on income tax return forms due to reduced contributions. HB 1423, amending 68 O. S. 2011, §2368.2, and 68 O. S. Supp. 2016, §2368.19; effective November 1, 2017.

Donations to the Oklahoma Wildlife Diversity Program. An income tax return refund contribution was reauthorized for contributions from a tax refund for the benefit of the Oklahoma Wildlife Diversity Program. HB 1392, amending 29 O. S. Supp. 2016, §3-310; effective November 1, 2017.

Donations to Oklahoma Emergency Responders Assistance Program. For tax years beginning in 2017 tax returns will contain a provision allowing a donation from a tax refund for the benefit of the Oklahoma Emergency Responders Assistance Program. HB 1392, adding 68 O. S. Supp. 2017, §2368.30; effective November 1, 2017.

Sales and Use Tax

State Sales Tax on Motor Vehicle Sales. The state sales tax exemption allowed for the sale of a motor vehicle (or any optional equipment or accessories attached to motor vehicles) on which the Oklahoma Motor Vehicle Excise Tax is levied was amended. The exemption shall not apply to a portion of the levy of state sales tax equal to 1.25% of the gross receipts of motor vehicle sales. Sales of motor vehicles will not be subject to sales and use taxes levied by cities, counties or other jurisdictions of the state. HB 2433, amending 68 O. S. Supp. 2016, §§1355, 1361, 68 O. S. 2011, §§2106, 1402, 1404; effective July 1, 2017.

Note: An action challenging the constitutionality of enactment of HB 2433 has been filed in the Supreme Court of Oklahoma, *Oklahoma Automobile Dealers Association, et al. v. State of Oklahoma, ex rel. Oklahoma Tax Commission*, Case No. 116143, filed June 23, 2017, arguing that HB 2433 is a revenue-raising bill subject to Article V, §33 of the Oklahoma Constitution, and enactment of the bill did not meet the requirements of that provision of the Constitution because it was passed during the last five days of the legislative session and approved by less than 3/4 of the membership of the House of Representatives and Senate. Another action challenging the constitutionality of enactment of HB 2433 has been filed in the Supreme Court of Oklahoma, *Gary L. Richardson v. State of Oklahoma, ex rel. Oklahoma Tax Commission*, Case No. 116162, filed June 28, 2017, arguing that HB 2433 is a “revenue bill” subject to Article V, §33 of the Oklahoma Constitution, and enactment of the bill did not meet the requirements of that provision of the Constitution.

Vendor Sales and Use Tax Deduction to Compensate for Record Keeping and Tax Remittance Repealed. The statutory provisions allowing a seller or vendor a deduction of 1% of the tax due, not exceeding \$2,500.00 per month per sales tax permit, for the purpose of compensating the seller or vendor for keeping sales and use tax records, filing reports and remitting the tax when due, were repealed. HB 2367, repealing 68 O. S. Supp. 2016, §1367.1, 68 O. S. 2011, §1410.1; effective July 1, 2017.

Oklahoma Tourism Development Act; Sales Tax Credits. An Oklahoma Tourism Development Act was enacted to provide sales tax credits as inducement for the creation or expansion of tourism attraction projects within the state. The Act provides for business entities operating or intending to operate a tourism attraction project within the state that meets certain standards to enter into an agreement with the Executive Director of the Oklahoma Tourism and Recreation Department providing for the completion and operation of the project. An approved company that establishes a qualifying tourism attraction project of \$500,000.00 but less than \$1,000,000.00 shall be granted sales tax credit in the amount of up to 10% of the approved costs. An approved company that has expended approved costs in excess of \$1,000,000.00 for a tourism attraction project shall be issued a tax credit memorandum by the Tax Commission granting a sales tax credit in the amount of up to 25% of the approved costs. The credits shall be limited to the percent of the approved costs that will result in the project being revenue-neutral to the state as determined by the Tax Commission. An approved company receiving a credit shall be entitled to use only a specified part of the credit to offset increased sales tax liability during each calendar year. HB 2131, adding 68 O. S. Supp. 2017, §§2391-2397; effective November 1, 2017.

Collaborative Model Connecting Community Agencies Exemption. A sales tax exemption was enacted to be effective November 1, 2017, to exempt from sales tax the sale of tangible personal property or services to an organization which is exempt from taxation pursuant to the provisions of section 501(c)(3) of the Internal Revenue Code and operates as a collaborative model which connects community agencies in one location to serve individuals and families affected by violence and where victims have access to services and advocacy at no cost to the victim. SB 189, SB 353, amending 68 O. S. Supp. 2016, §1356; effective November 1, 2017.

Sales to Tourism and Recreation Department Contractors Exemption. The sales tax exemption for Oklahoma Tourism and Recreation Department promotional materials was amended to provide an exemption for sales of tangible personal property or services to any person with whom the Department has entered into a public contract necessary to assist the Department in the development and production of advertising, promotion, publicity and public relations programs. SB 353, amending 68 O. S. Supp. 2016, §1356; effective July 1, 2017.

National Guard Association of Oklahoma Exemption. A sales tax exemption was enacted to be effective July 1, 2018, to exempt sales of tangible personal property or services to or by an association which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, and which is known as the National Guard Association of Oklahoma. SB 353, amending 68 O. S. Supp. 2016, §1356; effective July 1, 2017.

Marine Corps League of Oklahoma Exemption. A sales tax exemption was enacted to be effective July 1, 2018, to exempt sales of tangible personal property or services to or by an association which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, and which is known as the Marine Corps League of Oklahoma. SB 353, amending 68 O. S. Supp. 2016, §1356; effective July 1, 2017.

Sales Tax Noncompliant Taxpayer Closings. The sales tax code provisions authorizing the Tax Commission to close the business of a noncompliant taxpayer for failure to file reports or remit tax due was modified, providing that a taxpayer operating under a sales tax permit shall not be deemed “noncompliant” for nonpayment of income taxes; and providing for clarification as to failure to file reports required for sales taxes. HB 2343, amending 68 O. S. Supp. 2016, §1368.3; effective July 1, 2017.

Ad Valorem Tax

Delay of Five-Year New Manufacturing Facility Exemption until Expiration of Local Development Act Tax Exemption. New manufacturing facilities applying for the five-year ad valorem tax exemption under 68 O. S. §2902 on or after November 1, 2017 that meet specified requirements shall be eligible to delay the beginning of the five-year period of exemption from ad valorem taxes under 68 O. S. §2902 until after the expiration or termination of an ad valorem exemption, abatement or other incentive provided to the taxpayer through a tax incentive district established pursuant to the Local Development Act. In order to delay the exemption this way a manufacturing facility must (1) create at least 100 new jobs at the state index wage provided for in 68 O. S. §3604(F)(2), and (2) invest at least 10 times the investment cost in new depreciable property required for the five-year new manufacturing facilities

exemption in 68 O. S. §2902 (B)(1), presumably meaning an investment of at least \$2,500,000.00. In such a case the five-year period of exemption from ad valorem taxes for a qualifying manufacturing facility under 68 O. S. §2902 shall begin on January 1 following the expiration or termination of the ad valorem exemption, abatement or other incentive provided through the tax incentive district under the Local Development Act. This delay provision shall not apply to electric power generation facilities. HB 2351, adding 68 O. S. Supp. 2017, §2902.5; effective November 1, 2017.

Paper Product Manufacturing Facility Exemption Repealed. The statute separately providing for a five-year new manufacturing facility exemption for a facility engaged in pulp, paper, tissue and paper board manufacturing if it meets specific minimum capital improvements and wage per employee requirements was repealed. SB 293, repealing 68 O. S. §2011, §2902.4; effective January 1, 2018.

Manufactured Home Tax Delinquency Notices. The ad valorem tax statute providing that if personal property taxes become delinquent on a manufactured home which is located on property not owned by the owner of the manufactured home, the county treasurer shall send a notice to the taxpayer of delinquency to the owner of the manufactured home as generally authorized and required, and such notice shall also be sent to the last-known address of the owner of the real property on which the manufactured home is located. SB 91, amending 68 O. S. 2011, §3106; effective November 1, 2017.

Gross Production Tax

Horizontally Drilled Wells; Rate Increase. The gross production tax rate for certain production of oil and gas was adjusted to provide for a higher rate, to apply prospectively. For production commenced on or after July 1, 2011 and prior to July 1, 2015, the reduced gross production tax rate of one percent (1%) levied on the production of oil, gas, or oil and gas from a horizontally drilled well for a period of forty-eight (48) months from the month of initial production, was increased to four percent (4%) for production occurring on or after July 1, 2017, for the remainder of the forty-eight (48) month period involved. HB 2429, amending 68 O. S. §1001(E)(3); effective July 1, 2017.

Elimination of Previously Enacted Exemptions. The Oklahoma gross production tax was amended to limit and eliminate certain gross production tax exemptions allowed for specified time periods as incentives for projects begun before July 1, 2015. The exemptions for specified production from secondary recovery projects, tertiary recovery projects, reestablished inactive wells, production enhancement projects, wells drilled to a specified depth, new discovery wells, and three-dimensional seismic shoot wells were amended to provide that the exemptions shall not apply to production occurring on or after July 1, 2017. The limitation period for claiming rebates and refunds for allowed exemptions was changed, and refunds are to be paid in deferred installment payments. The exemption allowed for economically at-risk oil or gas leases was amended to limit its application to production from specified calendar years, to change the time for claiming refund, and provide for deferred installment payment of refunds. HB 2377, amending 68 O. S. Supp. 2016, §§1001, 1001. 3a; effective July 1, 2017.

Franchise Tax and Fee

Franchise Tax Reporting. Oklahoma franchise tax payment and reporting requirements were amended. Taxpayers that remitted the maximum amount of tax pursuant to 68 O. S. §1205 for the preceding tax year, shall have franchise tax due and payable on May 1 of each year, and if not paid on or before the ensuing June 1, penalties shall apply. Such taxpayer must file a return not later than June 1. HB 2356, amending 68 O. S. Supp. 2016, §1208, 68 O. S. 2011, §1210; effective November 1, 2017.

Reinstatement Fee Increase. The reinstatement fee required to be paid after the issuance of an order of suspension and forfeiture of the charter or organizational document and rights thereunder for failure to file a report and pay franchise tax was increased from \$15.00 to \$150.00. HB 2357, amending 68 O. S. 2011, §1212; effective July 1, 2017.

Cigarette Fee/Tax

\$1.50 Charge per Pack of Cigarettes. On May 26, 2017, the Legislature passed SB 845 entitled “Smoking Cessation and Prevention Act of 2017,” and it was signed by the Governor on May 31, 2017. The Act provides for a \$1.50 charge on cigarettes to be assessed by the Tax Commission and remitted to the Tax Commission by every wholesaler. The charge is to be \$1.50 per twenty (20) cigarette package, and a proportionate rate on fractions thereof. For purposes of the Act "cigarette" and "wholesaler" shall have the same meaning as in 68 O. S. §301 that applies to the Oklahoma cigarette stamp tax. The Tax Commission is authorized to promulgate rules to implement the assessment. The Act contains an uncodified provision stating that for the purpose of ensuring maximum wholesaler compliance with remittance of the charge, the Tax Commission shall not sell cigarette excise tax stamps to any wholesaler in excess of the amount of the monthly average amount of such excise tax stamps sold to such wholesaler during the preceding calendar year prior to the effective date of the Act, but that a wholesaler may purchase in excess of the monthly average purchased during the preceding calendar year upon providing documentation to the Tax Commission's satisfaction of probable sales greater than the wholesaler's sales in the preceding calendar year. SB 845, adding 63 O. S. Supp. 2017 §§1-1525, and 1-1528 – 1-1532; effective August 25, 2017.

Note: An action challenging the constitutionality of enactment of SB 845 has been filed in the Supreme Court of Oklahoma, *Naifeh v. State of Oklahoma, ex rel. Oklahoma Tax Commission*, Case No. 116102, filed June 7, 2017, arguing that SB 845 does not impose a “fee” but is instead a “revenue bill” subject to Article V, §33 of the Oklahoma Constitution, and enactment of the bill did not meet the requirements of that provision of the Constitution. Attorneys from Gable Gotwals are representing several of the petitioners in that action.

Motor Fuel Tax

Motor Fuel Tax Remittance Increase. The provisions of the Motor Fuel Tax Code for pre-collection and tax remittance by suppliers and bonded importers was amended to change the percentage basis as to amounts of tax due for gasoline from 98.4% to 100%, and change the

remittance percentage basis for diesel fuel from 98.1% to 100%, on July 1, 2022. HB 2358, amending 68 O. S. 2011, §500.22, effective November 1, 2017.

Motor Vehicle Tax and/or Fees

Electric-Drive and Hybrid-Drive Motor Vehicles Registration. Electric-drive motor vehicle and hybrid-drive motor vehicle registration fees were enacted. Beginning January 1, 2018, a Motor Fuels Tax Fee is to be levied and shall be paid to the Tax Commission of (1) \$100 for every electric-drive motor vehicle to be registered; and (2) \$30.00 on every hybrid-drive motor vehicle to be registered. The fees shall be paid in full for the then current year at the time any such vehicle is first registered in a calendar year. HB 1449, adding 47 O. S. Supp. 2017, §1132.7; effective November 1, 2017.

Note: An action challenging the constitutionality of enactment of HB 1449 has been filed in the Supreme Court of Oklahoma, *Gary L. Richardson v. State of Oklahoma*, ex rel. Oklahoma Tax Commission, Case No. 116162, filed June 28, 2017, arguing that HB 1449 is a “revenue bill” subject to Article V, §33 of the Oklahoma Constitution, and enactment of the bill did not meet the requirements of that provision of the Constitution.

Professional Sporting Event Admission Fee

Initial Ticket Sale Fee. A fee shall be assessed on the initial sale of tickets in Oklahoma for admission to professional sporting events involving ice hockey, baseball, basketball, football, arena football or soccer. The fee shall be \$1 on each ticket priced less than \$50, and \$2 on each ticket priced equal to or greater than \$50. The fee shall be remitted monthly to the Tax Commission on forms prescribed by it. The Tax Commission is to publish rules as necessary to implement and administer assessment of the fee. HB 2361, adding 68 O. S. Supp. 2017, §1515; effective July 1, 2017.

Estate Tax

Expiration and Release of Lien. The Oklahoma estate tax lien statute was amended to provide that for deaths of decedents occurring before January 1, 2010, any lien related to estate tax shall be extinguished subsequent to the lapse of ten (10) years after the date of death of a decedent and no order exempting estate tax liability shall be necessary to authorize release of such property or for the title of real property to be marketable. HB 1327, amending 68 O. S. 2011, §804.1; effective November 1, 2017.

Tax Administration, Practice and Procedure

Establishment of Out-of-State Collections Enforcement Division of Tax Commission. An Out-of-State Tax Collections Enforcement Act of 2017 was enacted providing that for the purpose of collecting taxes owed to the state, the Tax Commission may establish and maintain a division to be known as the “Out-of-State Tax Collections Enforcement Division.” It shall perform audit functions related to enhancing sales and use tax collections related to sales or transactions involving residents of Oklahoma and out-of-state vendors with a nexus to the State of

Oklahoma; and collections of any other unpaid taxes owed the State of Oklahoma by out-of-state individuals, firms and corporations. The Tax Commission shall submit an annual report to the Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives listing the number of individuals, firms and corporations audited, the types of taxes audited, the amount of taxes assessed and the amount of taxes collected as the result of such audits. HB 1427, adding 68 O. S. Supp. 2017, §120; effective November 1, 2017.

Taxpayer Voluntary Disclosure Initiative; September 1, 2017 – November 30, 2017. The Tax Commission was authorized and directed to establish a Voluntary Disclosure Initiative (“Initiative”) for certain “eligible taxes” in 2017. A taxpayer shall be entitled to a waiver of penalty, interest and other collection fees due on such eligible taxes if the taxpayer voluntarily files delinquent tax returns and pays the taxes due during the Initiative. The time period of the Initiative in which a voluntary payment of tax liability may be made (or the taxpayer may enter into a payment program and agreement acceptable to the Tax Commission) is the period beginning September 1, 2017, and ending November 30, 2017. The eligible unpaid taxes include those due and payable for any tax period or periods ending prior to the taxpayer and Tax Commission entering into a voluntary disclosure agreement (“Voluntary Disclosure Agreement”) as provided in the Initiative. The “eligible taxes” for which abatement can be allowed are mixed beverage tax, gasoline and diesel tax, gross production and petroleum excise tax, sales tax, use tax, income tax, for tax periods ending prior to January 1, 2016, and withholding tax. To be eligible to participate in the Initiative, taxpayers must not have outstanding tax liabilities other than those reported pursuant to the Initiative, not have been contacted by the Tax Commission, or third party acting on behalf of the Tax Commission, with respect to the taxpayer's potential or actual obligation to file a return or make a payment to the state; not have collected taxes from others, such as sales and use taxes or payroll taxes, and not reported those taxes; and not have, within the preceding three (3) years, entered into a voluntary disclosure agreement for the type of tax owed. Taxpayers who have collected taxes from others, such as sales and use taxes or payroll taxes, and not reported those taxes, may enter into a modified voluntary disclosure agreement (“Modified Voluntary Disclosure Agreement”). The provisions of a Modified Voluntary Disclosure Agreement shall be the same as a Voluntary Disclosure Agreement except the waiver of interest shall not apply except as may be optionally granted at the discretion of the Tax Commission, and the period for which taxes must be reported and remitted or assessed is extended beyond the three-year or thirty-six-month period and to include all periods in which tax has been collected but not remitted. HB 2380, adding 68 O. S. Supp. 2017, §216.4; effective July 1, 2017.

Tax Commission/Taxpayer Voluntary Disclosure Agreements; Modified Voluntary Disclosure Agreements. The Uniform Tax Procedure Code provisions for waiver of interest or penalty by the Tax Commission were also amended to provide for the Tax Commission to enter into voluntary disclosure agreements (“UTPC Voluntary Disclosure Agreement”) with taxpayers under specified conditions. Taxpayers will be allowed to enter into a UTPC Voluntary Disclosure Agreement if they do not have outstanding tax liabilities other than those reported pursuant to a UTPC Voluntary Disclosure Agreement, have not been contacted by the Oklahoma Tax Commission with respect to the taxpayer's potential or actual obligation to file a return or make a payment to the state, have not collected taxes from others, such as sales and use taxes or payroll taxes, and not reported those taxes, and have not within the preceding

three (3) years entered into a voluntary disclosure agreement for tax owed by the taxpayer. If the Tax Commission agrees with the proposed terms for payment of the tax due, the penalty otherwise imposed on the unpaid tax shall be waived by operation of law and no further action (order) by the Tax Commission or by the taxpayer shall be required, and fifty percent (50%) of applicable interest on the underpayment of tax shall be waived. The Tax Commission shall limit the period for which additional taxes may be assessed (the lookback period) to three (3) years for annually filed taxes or thirty-six (36) months for taxes that do not have an annual filing frequency. Taxpayers who meet all of these requirements except they have collected taxes from others, such as sales and use taxes or payroll taxes, and not reported those taxes, may enter into a modified voluntary disclosure agreement (“UTPC Modified Voluntary Disclosure Agreement”), which has differing terms, that are (1) waiver of interest shall not apply except as may be optionally granted at the discretion of the Tax Commission, and (2) the period for which taxes must be reported and remitted is extended beyond a three-year or thirty-six-month period applicable for other taxes, so as to include all periods in which tax has been collected but not remitted. HB 2252, amending 68 O. S. 2011, §220; effective November 1, 2017.

District Court Approval of Tax Commission Waiver of Interest and Penalty Exceeding \$25,000.

The requirement of district court approval of Tax Commission waivers of interest or penalties was amended. The statute will now provide that waiver or remission of all or any part of interest or penalties by the Tax Commission in excess of \$25,000.00 shall not become effective unless approved by one of the judges of the district court of Oklahoma County after a full hearing thereon. (The statute previously required district court approval of a waiver of interest or penalties in excess of \$10,000.00). HB 2252, amending 68 O. S. 2011, §220; effective November 1, 2017.

Tax Commission Business Registration and Reporting Program. The Tax Commission shall establish a program that focuses on educating businesses, as well as identifying and registering businesses who are actively selling or leasing tangible personal property in Oklahoma without a permit as required under 68 O. S. § 1364. The Tax Commission shall monitor and provide education to business owners of their state tax responsibilities and have a program to include the establishment of teams of Tax Commission employees conducting visits to nonresidential retail businesses to determine the existence of a sales tax permit and other required permits and licenses; verify accuracy and validity of licenses and permits; determine if the business is reporting and remitting taxes properly; and provide information and assistance to the business owner on tax reporting responsibilities. The Tax Commission shall conduct such visits in a manner that shall not disrupt the operations of a business location. HB 2380, adding 68 O. S. Supp. 2017, §256.1; effective July 1, 2017.

Tax Commission Taxpayer Assistance Program. The Tax Commission shall be authorized to expend necessary available funds, to publicly advertise the programs and assistance available for the filing of returns and the payment of taxes and education of the tax laws of Oklahoma, including advertising that focuses on social networking services. HB 2380, amending 68 O. S. 2011, §256; effective July 1, 2017.

Tax and Fiscal Policy

Tax Incidence Impact Analysis. A statute authorizing Tax Commission analysis of tax incidence of legislation and changes of Oklahoma taxation was enacted. At the request of the Chair of the Finance Subcommittee of the House Appropriations and Budget Committee or the Senate Finance Committee, the Tax Commission shall prepare an incidence impact analysis of a bill or a proposal to change the Oklahoma tax system which increases, decreases, or redistributes taxes by more than Twenty Million Dollars (\$20,000,000.00). The analysis must include a statement of the incidence assumptions that were used in computing the burdens. HB 2209, adding 68 O. S. Supp. 2017, §291; effective November 1, 2017.

Incentive Evaluation Act Reporting and Rulemaking. The Incentive Evaluation Act was amended to provide that if the Tax Commission votes to modify an incentive evaluation provided by the Incentive Evaluation Commission, such modification and the original evaluation of the Incentive Evaluation Commission shall be documented and included in the annual written report of the Incentive Evaluation Commission. Evaluation criteria developed by the Incentive Evaluation Commission shall be through the administrative rule making process pursuant to the Oklahoma Administrative Procedures Act. SB 154, amending 62 O. S. Supp. 2016, §7005; effective August 25, 2017.

Tax Commission Employee Background Checks. The Tax Commission shall be authorized to require Tax Commission employees in positions that have access to federal tax information and data to supply all information and documentation required in order to be subjected to a criminal history search. SB 292, adding 74 O. S. Supp. 2017, §150.9.1; effective November 1, 2017.

This summary is provided for educational and informational purposes only and does not contain legal advice or create an attorney-client relationship. The information provided should not be taken as an indication of future legal results; and any information provided should not be acted upon without consulting legal counsel.



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