



**Oklahoma Tax Commission
Voluntary Compliance Initiative
Tax Amnesty Program
September 14, 2015 – November 13, 2015**

A 2015 tax amnesty program has been authorized by Oklahoma offering incentives for taxpayers to report and pay unpaid taxes.

The Oklahoma law provides for a Voluntary Compliance Initiative program and procedure (“Oklahoma VCI/Tax Amnesty”) for the purpose of encouraging the voluntary disclosure and payment of taxes owed to the state.

The Oklahoma Tax Commission has published rules and guidance describing procedures for taxpayers to follow to take advantage of Oklahoma VCI/Tax Amnesty. The Tax Commission rules and a frequently asked questions explanation are published at the Tax Commission website. www.ok.gov/tax/

Oklahoma VCI/Tax Amnesty Period

Oklahoma VCI/Tax Amnesty is effective only for a limited time period between September 14, 2015, and November 13, 2015.

Tax Payment; Interest and Penalty Abatement

If an individual or business taxpayer meets the requirements of Oklahoma VCI/Tax Amnesty, and pays the tax balance due, the Tax Commission is required to abate and cancel all interest, penalties, collection fees (other than collection agency fees) and costs associated with the tax paid and tax periods involved.

Because waiver of interest and penalty through Oklahoma VCI/Tax Amnesty is accomplished by operation of law, no Tax Commission order will be issued, and no approval by a District Court will be necessary to make the waiver of all interest and penalty effective.

Taxpayers Who Can Use Oklahoma VCI/Tax Amnesty; Tax Periods Covered

Oklahoma VCI/Tax Amnesty is available to both individuals and businesses who owe taxes for any tax period(s) ending before January 1, 2015.

Oklahoma VCI/Tax Amnesty is available for a taxpayer that did not file the required Oklahoma tax return(s), underreported tax due on a previously filed tax return(s), or did not pay previously assessed taxes.

The program applies to both Oklahoma residents and out-of-state taxpayers who owe Oklahoma taxes.

However, generally, a taxpayer who is currently in bankruptcy is not eligible for participation in Oklahoma VCI/Tax Amnesty.

Eligible Taxes

The types of Oklahoma taxes eligible for the Oklahoma VCI/Tax Amnesty are Income tax, Withholding tax, Sales tax, Use tax, Gross Production and Petroleum Excise tax, Mixed Beverage tax, Gasoline and Diesel tax, and Privilege tax on banks and credit unions.

The VCI/Tax Amnesty Program does not apply to certain other taxes, such as unpaid Franchise tax or Ad Valorem Property tax.

Return Filing and Tax Payment

A taxpayer must file all returns required to report unpaid taxes and pay delinquent taxes between September 14, 2015, and November 13, 2015.

Tax Commission rules and guidance on Oklahoma VCI/Tax Amnesty provide that if a taxpayer cannot pay by this deadline, the taxpayer may set up a six-month VCI payment plan during this same time period of September 14, 2015 through November 13, 2015. Tax Commission published guidance provides that this can be done through an online dedicated OkTAP VCI payment plan application available on the Tax Commission website. The term of the payment plan can be for no more than six (6) payments. The first payment will be required as the down payment and must be made with the payment plan request. Payments will be due on the 15th day of each subsequent month during the term of the payment plan.

Confidentiality and Disclosure

The Tax Commission rules provide that in general no return or document filed with the Commission by a taxpayer pursuant to the Oklahoma VCI/Tax Amnesty will be subject to disclosure, except disclosure may be allowed as provided by a number of exceptions to the general rule stated in 68 O. S. § 205.

Taxpayer Options

The Tax Commission guidance states a taxpayer that has a pending audit by the Tax Commission or is protesting a Tax Commission proposed assessment of additional tax can participate in Oklahoma VCI/Tax Amnesty, but the taxpayer must pay the taxes assessed in full and withdraw its protest.

A taxpayer that owes Oklahoma taxes for several periods but cannot pay the full amount can take advantage of Oklahoma VCI/Tax Amnesty for only one (1) period, but will only receive waiver of interest and penalty for that tax period and not others.

Similarly, a taxpayer that owes different types of Oklahoma taxes eligible for amnesty relief under Oklahoma VCI/Tax Amnesty may pay one type that is owed and receive waiver of

interest and penalty applicable to that particular unpaid tax that is paid off through the program, without having to pay the other types of taxes owed.

Administrative Guidance for Taxpayer Use of Oklahoma VCI/Tax Amnesty

The Tax Commission published guidance provides instructions on contacting the Tax Commission to determine unpaid balances owed and information on how to pay them pursuant to Oklahoma VCI/Tax Amnesty.

A taxpayer with an already established liability for taxes owed will receive from the Tax Commission a statement of taxes owed and information regarding how to participate in Oklahoma VCI/Tax Amnesty. In addition to providing the taxpayer with balances owed, the statement of account will provide information regarding how to participate in Oklahoma VCI/Tax Amnesty. This information is also provided on the Oklahoma Tax Commission website at www.ok.gov/tax

A taxpayer that has not filed tax returns for taxes owed is instructed to file delinquent tax returns as soon as possible in order to receive a statement of account. Completed return(s) should be mailed to the Oklahoma Tax Commission, P.O. Box 269059, Oklahoma City, OK 73126-9059.

This memorandum is for educational and informational purposes only and does not contain legal advice. Accordingly, you should not act on any information provided without consulting legal counsel. Unless expressly stated otherwise, any tax information stated in this communication is not intended to be used and cannot be used by any taxpayer to avoid penalties under tax laws, and such advice cannot be quoted or referenced to promote or market to another party any transaction or matter described in this communication.



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