



## **Oklahoma Tax Commission**

### **Proposed 2022 Administrative Rule Changes**

**By Sheppard .F Miers, Jr.**  
**January 24, 2022**

The Oklahoma Tax Commission has published proposed changes to the administrative rules applicable to Oklahoma taxes ("OTC Rules") for 2022.

OTC Rules are formal statements of policy written by the Tax Commission as a state agency which have the effect of law if adopted and promulgated in accordance with the Administrative Procedures Act. Persons wishing to present their views in writing may do during a designated comment period which is through dates stated in the published proposed rules. Comments may be sent to the Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, OK 73194. All comments must be considered by the Tax Commission. Hearings by the Tax Commission are held on each proposed change to the OTC Rules at times stated, at the Oklahoma Tax Commission, 123 Robert S. Kerr Ave, Oklahoma City, Oklahoma. Persons wishing to make oral comments at the scheduled public hearing should request placement on the docket in advance of the hearing date by calling (405) 521-3133.

This summary describes some of the proposed changes of the OTC Rules. There are other proposed changes stated in the full text published online by the Tax Commission. The full text is published by the OTC at its website at <http://www.tax.ok.gov>.

#### **Income Tax**

##### **Title 710, Chapter 50. Income**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rules include changes and additions for the change in Oklahoma income tax rates for the year 2022, the payment of interest by the Tax Commission on refunds, the calculation of the period of underpayment, and implementation of the earned income tax credit.

#### **Withholding**

##### **Title 710, Chapter 90, Withholding**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rules include changes and additions for the individual income tax rate reduction for the tax year 2022; and a change for affidavits to be filed by nonresident members of entities.

## **Sales and Use Tax**

### **Title 710, Chapter 65, Sales and Use**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rules include changes and additions for exemption of sales or transfers of tangible personal property between wholly owned subsidiaries of a parent company and between a parent company and a wholly owned subsidiary, for pass through of sales tax exemptions to a contractor, for the in lieu tax provisions relating to motor vehicles, changes related to qualification for exemption by 100% disabled veterans, and process to qualify for exemption for sales used solely for construction and remodeling projects of exempt organizations.

## **Ad Valorem (Property) Tax**

### **Title 710, Chapter 10, Ad Valorem**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rules include changes and additions for modification of payroll and investment cost requirements for purposes of eligibility and qualification for the five-year ad valorem manufacturing exemption; changes for implementation of an increased income ceiling for additional homestead exemption qualification, and amendments related to disabled veteran homestead exemption on leased municipality land.

## **Gross Production Tax**

### **Title 710, Chapter 45, Gross Production**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rule changes include a clarification of bond reduction provisions.

## **Motor Vehicles**

### **Title 710, Chapter 60, Motor Vehicles**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rules include changes and additions to implement 2021 legislation enacted which imposes and sets an initial and annual fee in addition to registration fees imposed with respect to electric vehicles.

## **Tobacco, Tobacco Products, Cigarettes**

### **Title 710, Chapter 70, Tobacco**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rules include changes for new invoice information required to be maintained by wholesalers and retailers of tobacco products; and a change to remove references to drop shipments.

## **Tax Incentives**

### **Title 710, Chapter 85, Various Tax Incentives**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rules include changes to implement the increased maximum amount of rebates eligible to be paid in one fiscal year from \$4 million to \$ 8 million, and changes related to claims administered by the Office of Oklahoma Film and Music Commission.

## **Miscellaneous Areas Regulatory, Administrative Authority**

### **Title 710, Chapter 95, Miscellaneous Areas of Regulatory and Administrative Authority**

Comment Period: Ending 4:30 p.m., Feb. 22, 2022

Public Hearing Date: 1:30 p.m., Feb. 23, 2022

The proposed rules include a change related to the application to peer-to-peer car sharing agreements; and certain amendments related to revisions to the Quality Events Incentive Act for filing and documentation requirements.

If you have questions about these proposed Oklahoma Tax Commission rules, or other federal, state, or local tax law matters, please contact any attorney at GableGotwals you know, or the author of this noted below.

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