

ENGROSSED HOUSE  
BILL NO. 2725

By: Crocker and Sullivan  
(Leonard) of the House

and

Maddox of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 1991, Section 2385.13, which relates to estimated taxes; providing for certain taxpayers to compute estimated taxes on certain annualized basis; providing certain limitation; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 1991, Section 2385.13, is amended to read as follows:

Section 2385.13 Every taxpayer required under the provisions of Section 2385.7 of this title to make a declaration of estimated tax shall make ~~such~~ the declaration at the time provided in Section 2385.8 of this title, for the amount the taxpayer expects to owe for the current year. The estimate so made may be amended by either increasing or decreasing the amount originally estimated on either of the dates provided for the making of installment payments on estimates, and ~~such~~ the estimates at the respective dates shall be not less than seventy percent (70%) of the amount of tax due as indicated by the taxpayer's records or information on the respective dates. For purposes of determining the amount of tax due on any of

the respective dates, taxpayers with Oklahoma taxable income of at least One Million Dollars (\$1,000,000.00) in at least one of the preceding three (3) taxable years may compute the tax by placing taxable income on an annualized basis as prescribed by rules promulgated by the Tax Commission which rules shall be in accordance with the annualization provisions of the Internal Revenue Code. The provisions allowed in this section for computing estimated taxes on an annualized basis shall only be permitted for a taxable year of twelve (12) months. Should a taxpayer fail to make an estimate on any quarterly due date equivalent to at least seventy percent (70%) of the amount so indicated to be due, a penalty of five percent (5%) of the amount of the underpayment and interest thereon at the rate of one and one-quarter percent (1 1/4%) per month, or fraction thereof, for the period of the underpayment, shall be added thereto and paid. The penalty and interest provided by this section shall not be applicable where the amount of Oklahoma income tax withheld during the current year and/or payments made on the estimated tax for the current year is an amount which is equal to or greater than the amount shown to be due by the return for the preceding taxable year of twelve (12) months.

SECTION 2. This act shall become effective July 1, 1996.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 12th day of March, 1996.

Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1996.

President

of the Senate