STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2846 By: Kinnamon

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Section 262, as last amended by Section 23, Chapter 290, O.S.L. 1996 (68 O.S. Supp. 1997, Section 262), which relates to contracts with private contractors to audit and collect delinquent taxes; prohibiting Oklahoma Tax Commission from entering into contracts where compensation is based on percentage basis; providing that certain contracts shall be void and unenforceable; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 262, as last amended by Section 23, Chapter 290, O.S.L. 1996 (68 O.S. Supp. 1997, Section 262), is amended to read as follows:

Section 262. The Oklahoma Tax Commission may contract with private auditors or audit firms to audit the books of individuals, firms, or corporations which the Commission believes may owe the State of Oklahoma additional tax monies. The Oklahoma Tax Commission may ~~contract and may~~ expend monies from the Oklahoma Tax Commission Reimbursement Fund ~~in payment of a reasonable fee of the~~

~~delivered funds in payment~~ to enter into contracts with private auditors or audit firms to audit the books of persons as defined in the Uniform Tax Procedure Code, Section 201 et seq. of this title, which the Commission believes may owe the State of Oklahoma additional tax monies, or with temporary service companies or professional collection agencies as necessary for the collection of delinquent taxes or other monies owed to the state. ~~Such payment shall not be made until the funds have been deposited with the Commission~~ In no instance shall any contract entered into pursuant to this section contain any provision whereby the private auditors, audit firms, temporary service companies, or professional collection agencies employed be paid upon a percentage basis or on any basis where the compensation pursuant to the contract is dependent or conditioned upon the amount of monies collected by the private auditor, audit firm, temporary service company, or professional collection agency. Any contract containing a provision where the compensation is conditioned upon or measured directly or indirectly by the amount of money collected shall be void and unenforceable. Temporary employees or contractors hereunder shall not disclose confidential tax information except as authorized by Section 205 of this title, subject to the penalties contained therein.

SECTION 2. This act shall become effective November 1, 1998.

46-2-8836 JAF