ENGROSSED SENATE
BILL NO. 1340

By: Monson and Capps of the Senate

and

Langmacher of the House

[ revenue and taxation – Streamlined Sales Tax System Act – codification - effective date – emergency ]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1354.7 of Title 68, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Streamlined Sales Tax System Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1354.8 of Title 68, unless there is created a duplication in numbering, reads as follows:

The Legislature finds that:

1. State and local tax systems should treat transactions in a competitively neutral manner;

2. A simplified sales and use tax system that treats all transactions in a competitively neutral manner will strengthen and preserve the sales and use tax as vital state and local revenue sources and preserve state fiscal sovereignty;

3. Remote sellers should not receive preferential tax treatment at the expense of local "Main Street" merchants, nor should such vendors be burdened with special, discriminatory or multiple taxes;

4. The state should simplify sales and use taxes to reduce the administrative burden of collection; and

5. While states have the sovereign right to set their own tax policies, states working together have the opportunity to develop a more simple, uniform and fair system of state sales and use taxation without federal government mandates or interference.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1354.9 of Title 68, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Tax Commission shall enter into discussions with states regarding development of a multi-state, voluntary, streamlined system for sales and use tax collection and administration. These discussions shall focus on a system that would have the capability to determine whether the transaction is taxable or tax exempt, the appropriate tax rate applied to the transaction, and the total tax due on the transaction, and shall provide a method for collecting and remitting sales and use taxes to the state. Such system may provide compensation for the costs of collecting and remitting sales and use taxes. Discussions between the Tax Commission and other states may include, but are not limited to:

1. The development of a "Joint Request for Information" from potential public and private parties governing the specifications for such system;

2. The mechanism for compensating parties for the development and operation of such system;

3. Establishment of minimum statutory simplification measures necessary for state participation in such system; and

4. Measures to preserve confidentiality of taxpayer information and privacy rights of consumers.

Following these discussions, the Tax Commission may proceed to issue a Joint Request for Information.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1354.10 of Title 68, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Tax Commission is authorized to participate in a sales tax pilot project with other states and selected businesses to test means for simplifying sales and use tax administration and may enter into joint agreements for that purpose.

Agreements to participate in the test shall establish provisions for the administration, imposition and collection of sales and use taxes resulting in revenues paid that are the same as would be paid under existing law.

Parties to the agreements are excused from complying with the provisions of the Oklahoma Sales Tax Code or the Oklahoma Use Tax Code to the extent a different procedure is required by the agreements, except for confidentiality of taxpayer information as detailed in Section 5 of this act.

Agreements authorized under this section shall terminate no later than December 31, 2001.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1354.11 of Title 68, unless there is created a duplication in numbering, reads as follows:

Return information submitted to any party or parties acting for and on behalf of the state shall be treated as confidential taxpayer information. Disclosure of confidential taxpayer information necessary under Sections 3 and 4 of this act shall be pursuant to a written agreement between the Oklahoma Tax Commission and the party or parties. Such party or parties shall be bound by the same requirements of confidentiality as the Tax Commission pursuant to the provisions of Section 205 of Title 68 of the Oklahoma Statutes.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1354.12 of Title 68, unless there is created a duplication in numbering, reads as follows:

There is hereby created the Legislative Oversight Committee on the Streamlined Sales Tax System. The Committee shall be jointly chaired by the Chairs of the Senate Finance Committee and the House of Representatives Revenue and Taxation Committee. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall appoint such additional members as they deem appropriate. The Oklahoma Tax Commission shall provide testimony and information as requested by the Committee. The Tax Commission shall provide quarterly reports to the members of the Committee on the progress of multi-state discussions and pilot projects authorized pursuant to the provisions of Section 4 of this act.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1354.13 of Title 68, unless there is created a duplication in numbering, reads as follows:

Not later than March 1, 2001, the Oklahoma Tax Commission shall report to the Governor and to the President Pro Tempore of the Senate and the Speaker of the House of Representatives and to the members of the Legislative Oversight Committee on the status of multi-state discussions and, if a proposed system has been agreed upon by participating states, shall also recommend whether the state should participate in such system.

SECTION 8. This act shall become effective July 1, 2000.

SECTION 9. 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 Senate the 29th day of February, 2000.

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President of the Senate

Passed the House of Representatives the ____ day of _____, 2000.

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Speaker of the House of Representatives