

CS for SB 1340

1 THE STATE SENATE
2 Wednesday, February 23, 2000

3 Committee Substitute for
4 Senate Bill No. 1340

5 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1340 - By: MONSON and CAPPS
6 of the Senate and LANGMACHER of the House.

7 [Revenue and taxation - Streamlined Sales Tax System Act -
8 codification - effective date -
9 emergency]

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

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

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

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

19 The Legislature finds that:

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

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

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

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

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

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

13 The Oklahoma Tax Commission shall enter into discussions with
14 states regarding development of a multi-state, voluntary,
15 streamlined system for sales and use tax collection and
16 administration. These discussions shall focus on a system that
17 would have the capability to determine whether the transaction is
18 taxable or tax exempt, the appropriate tax rate applied to the
19 transaction, and the total tax due on the transaction, and shall
20 provide a method for collecting and remitting sales and use taxes to
21 the state. Such system may provide compensation for the costs of
22 collecting and remitting sales and use taxes. Discussions between

1 the Tax Commission and other states may include, but are not limited
2 to:

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

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

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

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

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

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

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

21 Agreements to participate in the test shall establish provisions
22 for the administration, imposition and collection of sales and use

1 taxes resulting in revenues paid that are the same as would be paid
2 under existing law.

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

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

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

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

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

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

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

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

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

1 SECTION 9. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.
5 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-15-00 - DO PASS,
6 As Amended and Coauthored.