

SB 606

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

THE STATE SENATE
Thursday, February 18, 1999

Senate Bill No. 606
As Amended

SENATE BILL NO. 606 - By: DOUGLASS and COFFEE of the Senate and
OSTRANDER of the House.

An Act relating to revenue and taxation; authorizing
Oklahoma Tax Commission to abate tax liability, interest and
penalties upon certain finding pursuant to settlement
agreement; allowing Tax Commission to consider certain
circumstances; requiring agreements to contain certain
provision; requiring unanimous vote of members of Tax
Commission to abate tax liability; providing that such
decision is final and prohibiting appeal therefrom;
requiring certain approval; providing for construction of
provisions; requiring Tax Commission to promulgate certain
rules; providing for codification; and providing a
conditional effective date.

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 219.1 of Title 68, unless there is
created a duplication in numbering, reads as follows:

A. In accordance with the provisions of the amendment to
Section 5 of Article X of the Oklahoma Constitution as set forth in
Senate Joint Resolution **18** of the 1st Session of the 47th Oklahoma
Legislature, the Oklahoma Tax Commission is hereby authorized to
abate all or any portion of tax liability and interest and penalties
accruing thereto, pursuant to a settlement agreement entered into

1 with a taxpayer, if the Tax Commission finds, by clear and
2 convincing evidence, that:

3 1. Collection of the tax liability and interest and penalties
4 accruing thereto would reasonably result in the taxpayer declaring
5 bankruptcy;

6 2. The tax is uncollectible due to insolvency of the taxpayer
7 resulting from factors beyond the control of the taxpayer or for
8 other similar cause beyond the control of the taxpayer; or

9 3. The tax liability is attributable to actions of a person
10 other than the taxpayer and it would be inequitable to hold the
11 taxpayer liable for the tax liability.

12 B. The Tax Commission may consider the following circumstances,
13 in addition to any other aggravating or mitigating circumstances, in
14 determining whether or not to enter into an agreement pursuant to
15 the provisions of this section:

16 1. Whether the taxpayer has made efforts in good faith to
17 comply with the tax laws of this state;

18 2. Whether the taxpayer has benefited from nonpayment of the
19 tax; and

20 3. Involvement of the taxpayer in economic activity from which
21 the tax liability originated.

22 C. All agreements entered into pursuant to the provisions of
23 this section shall provide for the collection of all or a portion of

1 the tax liability if at all possible, and in all cases collection of
2 the tax liability shall take precedence over collection of interest
3 and penalties.

4 D. Any abatement of tax liability authorized by this section
5 shall only be granted by a unanimous vote of the members of the Tax
6 Commission. The decision of the members of the Tax Commission in
7 denying the abatement of any tax liability pursuant to this section
8 shall be final and no right of appeal to any court may be taken from
9 such decision.

10 E. In any case where the amount of tax liability to be abated
11 pursuant to an agreement entered into pursuant to the provisions of
12 this section exceeds One Thousand Five Hundred Dollars (\$1,500.00),
13 the agreement shall not become effective until it shall have been
14 approved by one of the judges of the district court of Oklahoma
15 County, after a full hearing thereon.

16 F. The provisions of this section shall not be construed to
17 grant any legal right to any taxpayer for the abatement of any tax
18 liability. A decision to grant abatement of tax liability pursuant
19 to the provisions of this section shall be a discretionary act
20 within the authority of the members of the Tax Commission.

21 G. The Tax Commission shall promulgate rules to implement the
22 provisions of this section.

1 SECTION 2. This act shall become effective upon certification
2 of election returns favoring passage of the Constitutional Amendment
3 proposed in Senate Joint Resolution No. **18** of the 1st Session of the
4 47th Oklahoma Legislature.

5 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-9-99 - DO PASS,
6 As Amended and Coauthored.