

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1331

By: Reynolds

AS INTRODUCED

An Act relating to revenue and taxation; providing tax credit for certain sales by business to state; limiting amount of credit; allowing Tax Commission to prescribe forms; defining term; amending 68 O.S. 2001, Section 5013, which relates to sales tax relief; modifying requirement related to filing of claim for refund; and providing an 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 2357.101 of Title 68, unless there is created a duplication in numbering, reads as follows;

A. For taxable years beginning after December 31, 2005, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes in an amount equal to two percent (2%) of the gross sales to an Oklahoma state agency pursuant to the provisions of the Oklahoma Central Purchasing Act by an Oklahoma business.

B. In no event shall the amount of the credit authorized in this section exceed the tax liability of the taxpayer.

C. The Tax Commission shall have the authority to prescribe forms for the purpose of claiming the credit authorized by this section.

D. As used in this section, "Oklahoma business" means an entity whose primary headquarters are located in Oklahoma.

SECTION 2. AMENDATORY 68 O.S. 2001, Section 5013, is amended to read as follows:

Section 5013. A. All claims for relief authorized by the Sales Tax Relief Act shall be received by and in the possession of the Oklahoma Tax Commission on or before June 30 of each year for sales taxes paid for the preceding calendar year. Claimants shall be allowed a direct credit against income taxes owed by such claimant to the State of Oklahoma for the amount of such claim, in which case such claim shall be filed with the ~~claimant's~~ income tax return of the claimant on or before April 15 following the close of the taxable year, unless the claimant has been granted an extension of time in order to file an income tax return, in which case the claim may be filed with the return filed pursuant to the extension. In all cases where claimants have no income tax liability or where the sales tax relief authorized by this section exceeds the claimant's income tax liability, such claim, or any balance thereof, shall be paid out in the same manner and out of the same fund as refunds of income taxes are paid and so much of said fund as is necessary for such purposes is hereby appropriated.

B. 1. Sales tax relief for families receiving assistance pursuant to the federal program of Temporary Aid to Needy Families shall be transferred from the Oklahoma Tax Commission to the Department of Human Services as provided in this subsection for purposes of obtaining federal matching funds to increase the payments to recipients of Temporary Aid to Needy Families. The determination of the amount to be transferred by the Oklahoma Tax Commission shall be based on a statistical report prepared monthly by the Department of Human Services which identifies the number of recipients of Temporary Aid to Needy Families. The amount transferred shall equal one-twelfth (1/12) of the annual sales tax relief for all persons receiving assistance during the month of the report. The amount transferred shall be paid out of the Income Tax Withholding Refund Account of the Tax Commission.

2. Monies received from the Tax Commission shall be deposited in the Human Services Fund. Recipients of assistance pursuant to the federal program of Temporary Aid to Needy Families shall receive sales tax relief as a part of their monthly Temporary Aid to Needy Families.

C. All duties of the Tax Commission to make sales tax relief payments to recipients since January 1, 1992, of state supplemental payments or medical assistance as patients in long-term care facilities who have received such supplemental payments or medical assistance throughout the calendar year are hereby transferred to the Department of Human Services. Receipt of such supplemental payments or medical assistance shall constitute automatic eligibility for sales tax relief under the provisions of the Sales Tax Relief Act. Sales tax relief payments to persons identified in this subsection shall be made as soon as practicable after the commencement of each calendar year. The Department of Human Services shall notify the Tax Commission of the total amount of the sales tax relief payments made in order that such sum may be transferred from the Income Tax Withholding Refund Account of the Tax Commission to the Department.

D. For those individuals receiving assistance or state supplemental payments as provided in subsections B and C of this section, the Department of Human Services shall make the sales tax relief payment without the requirement of an additional application form.

E. To avoid duplication of payment, at the end of each calendar year, the Department of Human Services shall provide the Tax Commission with a list of the individuals who received sales tax relief from the Department. Persons receiving sales tax relief payments directly from the Department of Human Services shall not be entitled to additional sales tax relief payments from the Tax Commission.

F. The Department of Human Services and the Tax Commission shall work jointly to notify individuals receiving assistance or state supplemental payments from the Department of Human Services of their possible entitlement and right to apply for sales tax relief as provided for in the Sales Tax Relief Act.

SECTION 3. This act shall become effective January 1, 2006.

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