

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1573

By: Walker

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Sections 1367.1, as last amended by Section 73, Chapter 5, O.S.L. 2004 and 1410.1 (68 O.S. Supp. 2004, Section 1367.1), which relate to the deduction for remitting sales and use taxes; increasing the amount that may be deducted for the timely filing of sales and use taxes; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2001, Section 1367.1, as last amended by Section 73, Chapter 5, O.S.L. 2004 (68 O.S. Supp. 2004, Section 1367.1), is amended to read as follows:

Section 1367.1. A. For the purpose of compensating the seller or vendor in keeping sales tax records, filing reports and remitting the tax when due, a seller or vendor shall be allowed a deduction as follows:

1. For sellers or vendors participating in the Oklahoma Tax Commission's electronic funds transfer and electronic data interchange program, ~~two and one-fourth percent (2 1/4%)~~ two and three-fourths percent (2 3/4%) of the tax due under the applicable provisions of this title; and

2. For all other sellers or vendors, one and one-fourth percent (1 1/4%) of the tax due under the applicable provisions of this title. The Tax Commission is authorized to allow a vendor to deduct ~~two and one-fourth percent (2 1/4%)~~ two and three-fourths percent (2 3/4%) if the Tax Commission determines that the vendor is unable to

participate in the Tax Commission's electronic funds transfer and electronic data interchange program.

Such deduction shall not be allowed with respect to a direct payment permit.

B. No deductions from tax shall be allowed if any such report or payment of tax is delinquent; provided, the deduction shall be allowed if the Oklahoma Tax Commission determines that the reason that such report or payment of tax was delinquent was due to the tornadoes occurring May 3, 1999, or May 8 or 9, 2003.

C. Notwithstanding the formula provided by subsection A of this section, the deduction provided by this section shall be limited to a maximum of Three Thousand Three Hundred Dollars (\$3,300.00) per month per sales tax permit. No such sales tax permit holder may change sales tax permit status in order to avoid the provisions of this subsection.

D. Notwithstanding any other provision of law, an amount equal to the excess of the amount calculated by the formula provided by subsection A of this section over the Three-Thousand-Three-Hundred-Dollar limit provided by subsection C of this section shall be retained by the state as an administrative expense and deposited to the General Revenue Fund.

SECTION 2. AMENDATORY 68 O.S. 2001, Section 1410.1, is amended to read as follows:

Section 1410.1. Deduction for keeping records, filing reports and remitting tax when due.

A. For the purpose of compensating the seller or vendor in keeping use tax records, filing reports and remitting the tax when due, a seller or vendor shall be allowed a deduction not to exceed ~~two and one-fourth percent (2-1/4%)~~ two and three-fourths percent (2 3/4%) of the tax due under the applicable provisions of this title.

B. No deductions from tax shall be allowed if any such report or payment of tax is delinquent.

C. Notwithstanding the formula provided by subsection A of this section, the deduction provided by this section shall be limited to a maximum of Three Thousand Three Hundred Dollars (\$3,300.00) per reporting period. Persons remitting use tax pursuant to Section 1406 or 1407 of Title 68 of the Oklahoma Statutes as of April 1, 1993, shall continue to remit use tax in the same manner as they were on April 1, 1993. No such person may change the manner by which the person remits use tax in order to avoid the provisions of this subsection.

D. Notwithstanding any other provision of law, an amount equal to the excess of the amount calculated by the formula provided by subsection A of this section over the Three-Thousand-Three-Hundred-Dollar limit provided by subsection C of this section shall be retained by the state as an administrative expense and deposited to the General Revenue Fund.

SECTION 3. This act shall become effective July 1, 2005.

SECTION 4. 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.

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