

1 in lieu of such refund, credit the account of the taxpayer for such
2 amount. If current collections from the same source are
3 insufficient to pay refunds, available cash funds from the
4 unclassified taxes account may be used for such purpose.

5 SECTION 2. AMENDATORY 68 O.S. 2001, Section 255, as last
6 amended by Section 10, Chapter 412, O.S.L. 2010 (68 O.S. Supp. 2010,
7 Section 255), is amended to read as follows:

8 Section 255. A. In order to facilitate and expedite the
9 collection of taxes more than ninety (90) days overdue from any
10 taxpayer, the Oklahoma Tax Commission may enter into a contract with
11 a debt collection agency doing business in the State of Oklahoma or
12 in any other state for the collection of such delinquent taxes in
13 addition to all other taxes accrued or accruing, including penalties
14 and interest thereon, from the taxpayer. The contract shall only
15 authorize the debt collection agency to collect tax liabilities
16 which are already established and the Tax Commission shall not refer
17 accounts to the debt collection agency unless the Tax Commission has
18 notified the taxpayer, by first class mail, of the liability and has
19 made additional efforts to collect the debt. Provided, if a sales
20 tax permit holder fails to file two or more consecutive sales tax
21 returns, as required under Section 1365 of this title, or a taxpayer
22 required to remit withholding taxes fails to file two (2) or more
23 withholding tax returns, as required under Section 2385.3 of this
24 title, the Tax Commission may refer the accounts to the debt

1 collection agency prior to the establishment of the tax liability,
2 but only after the Commission has notified the taxpayer as required
3 under this subsection.

4 B. If an account has been referred to a debt collection agency,
5 the Tax Commission shall review all payments posted by the
6 collection agency prior to commencing any further collection
7 activity against the taxpayer. Further, the collection agency shall
8 review all payments posted by the Tax Commission prior to commencing
9 any collection activity. The Tax Commission or the collection
10 agency shall, within ten (10) business days, provide the taxpayer
11 with a written confirmation of all payments received and any balance
12 due. In addition, the contract shall not authorize the debt
13 collection agency to conduct audits or examine the books and records
14 of a taxpayer in any manner. The Tax Commission may also enter into
15 a contract with a person doing business in the State of Oklahoma or
16 in any other state for the purpose of identifying and locating the
17 assets of such delinquent taxpayer. Such contracts authorized by
18 this section shall be subject to the provisions of The Oklahoma
19 Central Purchasing Act.

20 C. In addition to the authority provided in subsection A of
21 this section, the Tax Commission may enter into a contract for the
22 purpose of identifying nonresident businesses and individuals who
23 are required by law to file and pay Oklahoma state taxes and who are
24 presently unknown to the Tax Commission.

1 D. Prior to entering into such a contract with a debt
2 collection agency, the Tax Commission shall require that the debt
3 collection agency file a bond in the amount of One Hundred Thousand
4 Dollars (\$100,000.00). The bond shall be a bond from a surety
5 company chartered or authorized to do business in this state, cash
6 bond, certificates of deposits, certificates of savings or U.S.
7 Treasury bonds, as the Tax Commission may deem necessary to
8 guarantee compliance with the terms of the contract.

9 E. Each contract entered into by the Tax Commission with a debt
10 collection agency, pursuant to the provisions of this section, shall
11 specify that fees for services rendered, reimbursements or other
12 remuneration shall be based on the total amount of delinquent taxes,
13 including accrued penalties and interest, which is actually
14 collected. No costs shall be reimbursed unless authorized in the
15 contract. Each contract entered into between the Tax Commission and
16 a debt collection agency shall provide for the payment of fees for
17 such services, reimbursements or other remuneration not in excess of
18 thirty-five percent (35%) of the total amount of delinquent taxes,
19 penalty and interest actually collected. The debt collection agency
20 contract fee shall be added to the amount of the delinquent taxes,
21 accrued penalties and interest collected from the taxpayer. The
22 total amount of the delinquent tax, accrued penalties and interest,
23 and the debt collection agency contract fee shall be owed and
24 collected from the taxpayer.

1 F. Each contract entered into by the Tax Commission with a
2 person for the purpose of identifying and locating assets of
3 delinquent taxpayers shall specify the amount of money to be paid
4 for the performance of such services. No costs shall be reimbursed
5 unless authorized in the contract.

6 G. All such funds collected by a debt collection agency,
7 including the fees for collection services as provided for in such
8 contract, shall be remitted to the Tax Commission within five (5)
9 days from the date of collection from a taxpayer. The Tax
10 Commission shall pay from such remitted fees the amount of fees to
11 which such debt collecting agency is entitled for services performed
12 pursuant to the provisions of such contract. All assets of such
13 delinquent taxpayers which are identified and located shall be
14 reported to the Tax Commission within five (5) days from the date of
15 identification and location. Forms to be used for such remittances
16 and reports shall be prescribed by the Tax Commission.

17 H. A debt collection agency entering into a contract with the
18 Tax Commission or a person entering into a contract with the Tax
19 Commission for asset location purposes pursuant to this section
20 shall agree that it is receiving income from sources within this
21 state or doing business in this state for purposes of the Oklahoma
22 tax laws. Debt collection agency employees and/or their agents
23 shall not disclose confidential tax information except as authorized
24

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 by Section 205 of this title, subject to the penalties contained
2 therein.

3 SECTION 3. This act shall become effective November 1, 2011.
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5 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
6 04-07-2011 - DO PASS, As Amended.
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