

1 contracting, the ~~Oklahoma~~ Tax Commission shall have all the powers
2 of enforcement in regard to such taxes, penalties and interest as
3 are granted to or vested in the contracting municipality. Such
4 agreement shall provide for the assessment, collection, enforcement,
5 and prosecution of such municipal tax, penalties and interest, in
6 the same manner as and in accordance with the administration,
7 collection, enforcement, and prosecution by the ~~Oklahoma~~ Tax
8 Commission of any similar state tax except as provided by agreement.
9 The municipality shall agree to refrain from any assessment,
10 collection, or enforcement of the municipal tax except as specified
11 in the agreement. Such agreement shall authorize the ~~Oklahoma~~ Tax
12 Commission to retain an amount not to exceed one and three-fourths
13 percent (1 3/4%) as a retention fee of municipal tax collected for
14 services rendered in connection with such collections; provided, if
15 a municipality files an action resulting in collection of delinquent
16 state and municipal taxes, the Tax Commission shall remit one-half
17 (1/2) of the retention fee applied to the amount of such taxes to
18 the municipality to be apportioned as are other sales tax revenue.
19 All funds retained by the ~~Oklahoma~~ Tax Commission for the collection
20 services to municipalities shall be deposited in the Oklahoma Tax
21 Commission Revolving Fund in the State Treasury.

22 B. The ~~Oklahoma~~ Tax Commission shall place all sales taxes,
23 including penalties and interest, collected on behalf of a
24 municipality pursuant to the provisions of this section and all use

1 taxes, including penalties and interest, collected on behalf of a
2 municipality pursuant to the provisions of Section 1411 of this
3 title in the Sales Tax Remitting Account as provided in Section 1373
4 of this title.

5 C. Provided that the ~~Oklahoma~~ Tax Commission and the governing
6 body of any incorporated city or town may enter into contractual
7 agreements whereby the municipality would be authorized to implement
8 or augment the enforcement, collection and prosecution of the
9 municipal tax in those contracting municipalities and to provide for
10 the satisfaction of refunds or credits to taxpayers. Such
11 agreements shall and are hereby authorized to provide that the
12 municipality and the ~~Oklahoma~~ Tax Commission may exchange necessary
13 information to effectively carry out the terms of such agreements.
14 The municipality, its officers and employees shall preserve the
15 confidentiality of such information in the same manner and be
16 subject to the same penalties as provided by Section 205 of this
17 title, provided that the municipal prosecutor and other municipal
18 enforcement personnel may receive all information necessary to
19 implement or augment the enforcement and prosecution of municipal
20 sales tax ordinances.

21 D. Provided further that, upon the request of any incorporated
22 city or town, the ~~Oklahoma~~ Tax Commission shall enter into
23 contractual agreements with such municipality whereby the
24 municipality would be authorized to implement or augment the

1 enforcement, either directly or through contract with private
2 auditors or audit firms, of the municipal tax. Any person
3 performing an audit shall first be approved by the ~~Oklahoma~~ Tax
4 Commission and, once approved, shall be appointed as an agent of the
5 ~~Oklahoma~~ Tax Commission for purposes of the audit. Contracts with a
6 private auditor or audit firm shall not be subject to the
7 limitations of Section 262 of this title and shall and are hereby
8 authorized to provide that the municipality, private auditors or
9 audit firms and the ~~Oklahoma~~ Tax Commission may exchange necessary
10 information to effectively carry out the terms of such agreements.
11 The municipality, its officers and employees and private auditors or
12 audit firms may receive all information necessary to perform audits
13 and shall preserve the confidentiality of such information in the
14 same manner and be subject to the same penalties as provided by
15 Section 205 of this title. Municipalities conducting audits
16 directly or by contracting for private auditors or audit firms
17 pursuant to this subsection shall furnish to the ~~Oklahoma~~ Tax
18 Commission the audit results and all relevant supporting
19 documentation. Further, such municipalities shall provide for the
20 payment of private auditors or audit firms by deduction from the tax
21 assessment resulting from the audit conducted by said private
22 auditors or audit firms unless a municipality contracts with the
23 auditor or audit firm for another method of payment. Any municipal
24 sales tax funds recovered as a result of the services provided under

1 this subsection will not be included in calculating the retention
2 fee retained by the ~~Oklahoma~~ Tax Commission pursuant to subsection A
3 of this section. The contracts authorized by subsection A of this
4 section shall provide that the ~~Oklahoma~~ Tax Commission shall not
5 have any obligations thereunder to any municipality that does not
6 participate in an audit conducted under this subsection.

7 E. Any sum or sums collected or required to be collected
8 pursuant to a municipal sales tax levy shall be deemed to be held in
9 trust for the municipality, and, as trustee, the collecting vendor
10 shall have a fiduciary duty to the municipality in regards to such
11 sums and shall be subject to the trust laws of this state.

12 SECTION 2. This act shall become effective November 1, 2011.

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14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
15 04-07-2011 - DO PASS, As Amended.

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