

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1265

By: Allen

4
5
6 AS INTRODUCED

7 An Act relating to tax administration; amending 68
8 O.S. 2011, Sections 500.18 and 500.20, which relate
9 to motor fuel tax; modifying the day motor fuel taxes
10 are due; updating references; amending 68 O.S. 2011,
11 Section 1010, which relates to gross production
12 taxes; modifying the day gross production reports
13 become delinquent; and providing an effective date.

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 500.18, is
16 amended to read as follows:

17 Section 500.18. Except as otherwise provided in ~~this act~~ the
18 Motor Fuel Tax Code, the tax imposed by Section ~~4 of this act~~ 500.4
19 of this title on motor fuel measured by gallons imported from
20 another state shall be paid by the:

21 1. Licensed occasional importer who has imported the nonexempt
22 motor fuel within three (3) business days of the earlier of the time
23 that the nonexempt motor fuel was entered into the state, or the
24 time that a valid import verification number required by subsection
F of Section ~~33 of this act~~ 500.33 of this title was assigned by the

1 Oklahoma Tax Commission, under such rules and procedures as the
2 Commission may provide; or

3 2. Licensed bonded importer who has imported the nonexempt
4 motor fuel during a month on or before the ~~twenty-fifth~~ twentieth
5 day of the following month unless such day falls upon a weekend or
6 state or banking holiday, in which case the liability would be due
7 the next succeeding business day.

8 However, if the supplier has made a blanket election to precollect
9 tax under Section ~~19 of this act~~ 500.19 of this title, then the
10 supplier shall become jointly liable with the importer for the tax
11 and shall remit the tax to the Commission on behalf of the importer
12 under the same terms as a supplier payment under Section ~~20 of this~~
13 ~~act~~ 500.20 of this title, and no import verification number shall be
14 required.

15 SECTION 2. AMENDATORY 68 O.S. 2011, Section 500.20, is
16 amended to read as follows:

17 Section 500.20. A. The tax imposed by Section 500.4 of this
18 title, measured by motor fuel removed by a licensed supplier from a
19 terminal or refinery in this state other than a bulk transfer, shall
20 be precollected and remitted on behalf of the retail consumers to
21 the state by the supplier, as shown in the records of the terminal
22 operator, who removes the taxable gallons.

23 B. The supplier, and each reseller, shall list the amount of
24 tax as a separate line item on all invoices or billings.

1 C. All tax to be paid by a supplier with respect to gallons
2 removed on the account of the supplier during a calendar month shall
3 be due and payable on or before the ~~twenty-seventh~~ twentieth day of
4 the following month unless such day falls upon a weekend or state or
5 banking holiday in which case the liability would be due the next
6 succeeding business day.

7 D. A supplier shall remit any late taxes remitted to the
8 supplier by an eligible purchaser and shall timely notify the
9 Oklahoma Tax Commission of any late remittances if that supplier has
10 previously given notice to the Commission of an uncollectible tax
11 amount pursuant to subsection B of Section 500.24 of this title.
12 For the purposes of reporting a payment received on previously
13 claimed uncollectible taxes, any payments made to a supplier on a
14 debt or account shall be applied first proportionally to the gallons
15 sold and the tax thereon, and secondly to interest, service charges,
16 and any other charges.

17 SECTION 3. AMENDATORY 68 O.S. 2011, Section 1010, is
18 amended to read as follows:

19 Section 1010. A. The tax provided for in Section 1001 et seq.
20 of this title shall be paid to the Oklahoma Tax Commission.

21 B. Except as otherwise provided in subsection G of this
22 section, every person responsible for paying or remitting the tax
23 levied by Section 1001 et seq. of this title on the production from
24 any lease shall file with the Tax Commission a monthly report on

1 each lease, regardless of sales or purchases of production from the
2 lease during the report period, under oath, on forms prescribed by
3 the Tax Commission, giving, with other information required, the
4 following:

5 1. The Tax Commission assigned production unit number,
6 subnumber and merge number, or, with the consent of the Tax
7 Commission, the full description of the property by lease name,
8 subdivision of quarter section, section, township, and range, from
9 which the oil or gas was produced, or both, as may be required by
10 the Tax Commission;

11 2. The Tax Commission assigned company reporting numbers of the
12 producer and purchaser, or with the consent of the Tax Commission,
13 the company name;

14 3. The gross amount of asphalt, ores bearing lead, zinc, jack,
15 gold, silver or copper, oil or gas produced or purchased, or, in the
16 event of no production or no sale or purchase during the report
17 period, zero gross amount shall be reported;

18 4. The kind of mineral, oil, gas, or casinghead gas produced or
19 purchased;

20 5. The total value of the mineral oil, gas, or casinghead gas,
21 at the time and place of production, including any and all premiums
22 paid for the sale thereof, at the price paid, if purchased at the
23 time of production;

24

1 6. If requested by the Tax Commission, the prevailing market
2 price of oil not sold at the time of production; and

3 7. The amount of royalty payable on the production from the
4 lease, if the royalty is claimed to be exempt from taxation by law,
5 and the facts on which such claim of exemption is based and such
6 other information pertaining to the claim as the Tax Commission may
7 require.

8 Each report required by the provisions of this section shall be
9 filed on separate forms as to product and county.

10 C. No person shall engage in the mining or production within
11 this state of asphalt or ores bearing lead, zinc, jack, gold,
12 silver, or copper, oil or gas, prior to obtaining from the Tax
13 Commission a Tax Commission assigned producer reporting number and a
14 Tax Commission assigned production unit number, subnumber and merge
15 number for each producing lease. No person shall engage in the
16 purchase of asphalt, ores bearing lead, zinc, jack, gold, silver or
17 copper, oil or gas from a producing lease prior to obtaining from
18 the Tax Commission a Tax Commission assigned purchaser reporting
19 number and the Tax Commission assigned production unit number,
20 subnumber and merge number, of the lease from which the production
21 is to be purchased.

22 1. Every producer and purchaser shall make application, upon
23 forms prescribed by the Tax Commission, for a Tax Commission
24 assigned producer or purchaser reporting number prior to producing

1 or purchasing production. Every producer shall obtain, by making
2 application upon forms prescribed by the Tax Commission, a Tax
3 Commission assigned production unit number, subnumber and merge
4 number for each lease from which lease production will be sold or
5 disposed before disposing of production from any lease in the state.

6 Provided, however, the Tax Commission shall not approve any
7 application for a Tax Commission assigned producer or purchaser
8 reporting number without proper confirmation that the applicant has
9 posted the requisite surety documents with the Corporation
10 Commission pursuant to Section 318.1 of Title 52 of the Oklahoma
11 Statutes.

12 2. Every producer or purchaser shall notify the Tax Commission
13 within thirty (30) days of any changes of any producing lease in the
14 state as may be required by the Tax Commission. Provided, the Tax
15 Commission may relieve producers and purchasers of their duty to
16 file the notification required by this paragraph if the Tax
17 Commission determines that the notification is not necessary.

18 3. Gross production tax reports from either the purchaser or
19 producer shall become due on the first day of each calendar month on
20 all products subject to the tax levied by Section 1001 et seq. of
21 this title produced in and saved during the preceding monthly
22 period. If such reports are not received by the Tax Commission on
23 or before the ~~twenty-fifth~~ twentieth day of the second calendar
24 month following the month of production, the reports shall become

1 delinquent. Any requested or required amended report or any
2 requested information submitted in response to written demand for
3 information which is not received by the Tax Commission on or before
4 thirty (30) days after the mailing of the request or demand by the
5 Tax Commission or any of its employees shall be delinquent.

6 D. Every person required to file such forms or reports or who
7 has been requested to file an amended report to provide information
8 by written demand, or who has purchased oil or gas from a lease
9 prior to being authorized by the Tax Commission to purchase
10 production from such lease, will be subject to and may be assessed
11 the following penalties for each delinquency:

12 1. Five Dollars (\$5.00) per day for each Tax Commission
13 assigned production unit number or subnumber or merge number or
14 product code, upon which a form, report, amended report, or for
15 which requested information in response to written demand is
16 delinquent and for each day from the date a purchaser buys
17 production from a lease from which it is not authorized to purchase
18 to the date the Tax Commission approves the purchaser to buy from
19 such lease; provided, such penalty shall not be assessed for an
20 amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).
21 The penalties may be waived by the Tax Commission or its designee
22 for good cause shown; and

23 2. If within twelve (12) months after a previous assessment of
24 penalties as provided for by this section a subsequent delinquency

1 occurs, penalties may be assessed at the rate of Ten Dollars
2 (\$10.00) per day for each Tax Commission assigned production unit
3 number or subnumber or merge number, or product code; provided, such
4 penalty shall not be assessed for an amount in excess of One
5 Thousand Five Hundred Dollars (\$1,500.00). The penalty thereon may
6 be waived, in whole or in part, by the Tax Commission, for good
7 cause shown.

8 The penalties prescribed herein shall be in addition to other
9 penalties assessable by the Tax Commission pursuant to the laws of
10 this state. The penalties prescribed by this section may be
11 collected and shall be apportioned to the General Revenue Fund.

12 E. Gross production tax forms reports, amended reports, or
13 requested information in response to written demands which are
14 received by the Tax Commission on or after the time fixed for
15 delinquency, but which were mailed prior to the time fixed for
16 delinquency, shall be deemed to have been received by the Tax
17 Commission before becoming delinquent. Postmark or registry or
18 certified receipt showing deposit in the U.S. mails shall be
19 conclusive evidence of the date of mailing. Provided, all
20 remittances due under such reports or amended reports must be
21 received by the Tax Commission on or before the date specified by
22 law regardless of when mailed.

23 F. In the event a person required to remit the tax levied by
24 the provisions of Section 1001 et seq. of this title becomes

1 delinquent in reporting or remitting the tax, or upon a
2 determination by the Tax Commission that the state may lose tax
3 revenues due to the difficulty of collecting same, the Tax
4 Commission may require any person required to remit the tax to
5 furnish a sufficient cash deposit, bond, or other security in an
6 amount as will protect the tax revenues of this state.

7 G. In lieu of monthly reporting, a royalty owner taking gas in
8 kind for the royalty owner's own consumption who is responsible for
9 remitting the tax levied by Section 1001 et seq. of this title may
10 file semiannual reports and remit taxes due thereunder to the Tax
11 Commission on or before the first day of January and July of each
12 year for the preceding six-month period. If not received on or
13 before the last day of such month, the report and tax shall be
14 delinquent.

15 SECTION 4. This act shall become effective November 1, 2012.

16

17 53-2-2185 JCR 1/17/2012 3:45:50 PM

18

19

20

21

22

23

24