

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1399

By: Johnson

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2011, Section 1364.1, as amended by Section 1,
9 Chapter 230, O.S.L. 2012 (68 O.S. Supp. 2012, Section
10 1364.1), which relates to remittance of sale tax;
11 modifying eligibility to obtain direct payment
12 permit; eliminating fee; allowing extended reporting
13 period under certain circumstances; prescribing
14 qualifications for direct payment permit; specifying
15 accounting method; providing an effective date; and
16 declaring an emergency.

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

18 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1364.1, as
19 amended by Section 1, Chapter 230, O.S.L. 2012 (68 O.S. Supp. 2012,
20 Section 1364.1), is amended to read as follows:

21 Section 1364.1 A. Every person who ~~makes purchases of Eight~~
22 ~~Hundred Thousand Dollars (\$800,000.00) or more annually in taxable~~
23 ~~items for use in Oklahoma enterprises~~ qualifies pursuant to
24 subsection B of this section and desires to directly remit the taxes
due under Section 1350 et seq. of this title or Section 1401 et seq.
of this title to the Oklahoma Tax Commission rather than remit such

1 taxes to the vendor may apply to the Tax Commission for a direct
2 payment permit. The permit shall be valid for three (3) years ~~and~~
3 ~~the fee for the permit shall be Twenty Dollars (\$20.00)~~. Each such
4 person shall file with the Tax Commission an application for a
5 direct payment permit, setting forth such information as the Tax
6 Commission may require, including but not limited to:

7 1. An agreement that is signed by the owner of the business or
8 representative of the business entity and as a natural person, and,
9 in the case of a corporation, as a legally constituted officer
10 thereof, that provides that the applicant agrees to:

- 11 a. accrue and remit all taxes imposed by Section 1350 et
12 seq. of this title or Section 1401 et seq. of this
13 title on the sale or use of all taxable personal
14 property or services sold to or leased or rented by
15 the applicant. Provided, no tax shall be due from the
16 holder of a direct payment permit on tangible personal
17 property intended solely for use in other states, but
18 which is stored in Oklahoma pending shipment to such
19 other states or which is temporarily retained in
20 Oklahoma for the purpose of fabrication, repair,
21 testing, alteration, maintenance, or other service,
- 22 b. pay such taxes as required by Section 1365 of this
23 title. Provided, in lieu of monthly reports, persons
24 qualifying pursuant to paragraph 2 of subsection B of

1 this section owing an average per month of Five
2 Hundred Dollars (\$500.00) or less may file quarterly
3 reports and remit taxes due thereunder to the Tax
4 Commission on or before the twentieth day of the month
5 following the calendar quarter. If not paid on or
6 before the twentieth day of such month, the tax shall
7 be delinquent,

8 c. waive the discount permitted by Section 1367.1 of this
9 title on the payment of all taxes remitted directly to
10 the Tax Commission; and

11 2. A description of the accounting method by which the
12 applicant proposes to differentiate between taxable and exempt
13 transactions.

14 Upon verification that the applicant is eligible to receive a
15 direct payment permit, the Tax Commission shall issue a direct
16 payment permit for the place of business set forth in the
17 application for the permit. The Tax Commission shall be the sole
18 judge of the applicant's qualifications and may refuse to issue a
19 direct payment permit to an applicant. An applicant who has been
20 denied the issuance of a permit may submit an amended application or
21 may submit a new application after a reasonable period of time after
22 the denial of the original application.

23 B. The following persons shall qualify for a direct payment
24 permit as provided in subsection A of this section:

1 1. Every person who makes purchases of Eight Hundred Thousand
2 Dollars (\$800,000.00) or more annually in taxable items for use in
3 Oklahoma enterprises; or

4 2. Every person who makes purchases of drugs for the treatment
5 of human beings, medical appliances, medical devices and other
6 medical equipment including but not limited to corrective
7 eyeglasses, contact lenses, hearing aids, prosthetic devices,
8 durable medical equipment, and mobility-enhancing equipment for
9 administration or distribution by a practitioner, as defined in
10 subsection B of Section 1357.6 of this title, who is authorized by
11 law to administer or distribute such items and the cost of such
12 items will be reimbursed under the Medicare or Medicaid program.

13 C. For exempt purchases made by persons that have been issued a
14 permit under paragraph 2 of subsection B of this section, the Tax
15 Commission shall accept the following information, maintained
16 separate from confidential patient records, as an acceptable
17 accounting method by which the applicant documents the purchase of
18 items exempt under Section 1357.6 of this title:

19 1. Patient case number or account number;

20 2. Type of insurance; and

21 3. Item description or product number.

22 SECTION 2. This act shall become effective July 1, 2013.

23 SECTION 3. It being immediately necessary for the preservation
24 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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