

*MEMORANDUM*

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*OKLAHOMA TAX COMMISSION*  
TAX POLICY AND RESEARCH

DATE: February 17, 2014  
SUBJECT: Committee Substitute - SB 1629 (Req. No. 3336)  
TO: Rick Miller, Director  
FROM: Michael C. Kaufmann, Tax Policy Analyst

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The Committee Substitute for SB 1629 (Req. No. 3336) proposes to amend 68 O.S. § 217 which relates to the interest rate assessed on delinquent tax and also the interest rate paid on refunds by the Tax Commission. Currently the rate is set at an annual rate of 15%. This measure proposes to change the rate to the prime rate plus 8%, with the rate adjusted every January based on the January publication of the prime rate in the Wall Street Journal.

The current prime rate is 3.25%, making the interest rate assessed on delinquent tax and the interest rate paid on refunds by the Tax Commission proposed under this measure 11.25%. This lower interest rate would result in an estimated decrease of \$3.6 million.