

1 ENGROSSED SENATE  
2 BILL NO. 1579

By: Jolley, Treat and Mazzei of  
the Senate

3 and

4 Sears and Casey of the  
5 House

6  
7 An Act relating to tax administration; directing  
8 Oklahoma Tax Commission to enhance agency enforcement  
9 efforts related to sales, use and income tax;  
10 specifying types of enforcement efforts; amending 68  
11 O.S. 2011, Section 1002, which relates to gross  
12 production tax procedures; directing Oklahoma Tax  
13 Commission to enhance agency enforcement efforts  
14 related to gross production tax; specifying types of  
15 enforcement efforts; providing for noncodification;  
16 providing an effective date; and declaring an  
17 emergency.

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

19 SECTION 1. NEW LAW A new section of law not to be  
20 codified in the Oklahoma Statutes reads as follows:

21 The Oklahoma Tax Commission is hereby directed to enhance agency  
22 efforts to discover and reduce fraud and abuse of sales and use tax  
23 exemptions provided pursuant to the Sales and Use Tax Codes and the  
24 nonfiling and underreporting of sales and use taxes due and owing.  
Such efforts shall include enhanced sales and use tax auditing with  
technology systems designed to identify underreporting of sales and

1 use taxes and the electronic reporting of information of exempt  
2 sales by vendors.

3 SECTION 2. NEW LAW A new section of law not to be  
4 codified in the Oklahoma Statutes reads as follows:

5 The Oklahoma Tax Commission is hereby directed to increase its  
6 audit staff to conduct audits of individual, corporate and  
7 partnership income tax returns. The Tax Commission may utilize its  
8 increased staff to audit and issue proposed assessments against  
9 nonfiling and underreporting taxpayers detected through the use of  
10 enhanced technology.

11 SECTION 3. AMENDATORY 68 O.S. 2011, Section 1002 is  
12 amended to read as follows:

13 Section 1002. A. If any person shall fail to make the report  
14 of the gross production of any mine or oil or gas well, upon which a  
15 gross production tax is levied, within the time prescribed by law  
16 for such report it shall be the duty of the Tax Commission to  
17 examine the books, records and files of such person to ascertain the  
18 amount and value of such production and to compute the tax thereon.

19 B. The Oklahoma Tax Commission is hereby directed to enhance  
20 agency efforts to ensure the proper reporting and collection of  
21 gross production taxes. Such efforts may include the use of  
22 enhanced technology to ensure that all production is accurately  
23 reported and the auditing of claims for refunds or rebates to verify  
24 the accuracy of the claims filed.

1 SECTION 4. This act shall become effective July 1, 2016.

2 SECTION 5. It being immediately necessary for the preservation  
3 of the public peace, health and safety, an emergency is hereby  
4 declared to exist, by reason whereof this act shall take effect and  
5 be in full force from and after its passage and approval.

6 Passed the Senate the 16th day of May, 2016.

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Presiding Officer of the Senate

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10 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
11 2016.

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Presiding Officer of the House  
of Representatives

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