

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

HOUSE BILL 2235

By: Sears and Casey of the  
House

and

Jolley and Treat of the  
Senate

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 264, which relates to contracts and information; directing the Tax Commission to enter into certain contracts and make certain expenditures to identify fraud; authorizing the release of certain information; providing for confidentiality; establishing a misdemeanor for certain violations; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 264, is amended to read as follows:

Section 264. A. Notwithstanding the provisions of Section 205 of this title and Section 85.7 of Title 74 of the Oklahoma Statutes, the Oklahoma Tax Commission is authorized to enter into a contract with and release taxpayer information to entities deemed to be qualified by the Tax Commission to acquire or utilize their technology systems or information to detect ~~non-registered~~

1 nonregistered taxpayers, ~~non-filers~~ nonfilers and ~~under-reporting~~  
2 underreporting taxpayers. Functions and duties to be performed by  
3 the contracting entity may include registration, processing, and  
4 collection functions and other functions deemed necessary by the Tax  
5 Commission.

6 B. Compensation shall be based on a percentage of the  
7 additional tax revenues attributable to the implementation and use  
8 of the technology systems or information. The contract may provide  
9 for additional fixed fees for services performed under the contract  
10 to be paid from monies appropriated by the Legislature or from the  
11 additional tax revenues.

12 C. The taxpayer information released to the contracting party  
13 shall be considered confidential and privileged and neither the  
14 contracting party nor its employees shall disclose any information  
15 obtained from the records or files. A violation of any of the  
16 provisions of this section shall constitute a misdemeanor punishable  
17 in the same manner and to the same extent as a violation of any of  
18 the provision of Section 205 of this title.

19 D. The Tax Commission shall pay from the taxes collected and  
20 attributable to the utilization of the acquired technology systems  
21 the amount of fees the contracting party is entitled for services  
22 performed pursuant to the contract.

23 E. The Tax Commission shall enter into a contract with entities  
24 deemed to be qualified by the Tax Commission to acquire or utilize

1 their technology systems or information and services to authenticate  
2 income tax returns and identify fraudulent refund claims. The Tax  
3 Commission is authorized to expend necessary available monies,  
4 including monies from the fund created pursuant to Section 265 of  
5 this title, to acquire such technology and services and shall be  
6 exempt from the provisions of Section 85.7 of Title 74 of the  
7 Oklahoma Statutes for the purpose of implementing this section.

8 F. Notwithstanding the provisions of Section 205 of this title,  
9 the Tax Commission may release taxpayer information as necessary  
10 pursuant to a contract entered into pursuant to the provisions of  
11 paragraph E of this section. The taxpayer information released to  
12 the contracting party shall be considered confidential and  
13 privileged, and neither the contracting party nor its employees  
14 shall disclose any information obtained from the records or files.  
15 A violation of any of the provisions of this section shall  
16 constitute a misdemeanor punishable in the same manner and to the  
17 same extent as a violation of any of the provisions of Section 205  
18 of this title.

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

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24 55-1-15100 MAT 03/25/15