

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1579

By: Jolley and Treat of the
Senate

4 and

5 Sears and Casey of the
6 House

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9 AS INTRODUCED

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

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

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

The Oklahoma Tax Commission is hereby directed to enhance agency
efforts to discover and reduce fraud and abuse of sales and use tax
exemptions provided pursuant to the Sales and Use Tax Codes and the
nonfiling and underreporting of sales and use taxes due and owing.

1 Such efforts shall include enhanced sales and use tax auditing with
2 technology systems designed to identify underreporting of sales and
3 use taxes and the electronic reporting of information of exempt
4 sales by vendors.

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

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

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

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

21 B. The Oklahoma Tax Commission is hereby directed to enhance
22 agency efforts to ensure the proper reporting and collection of
23 gross production taxes. Such efforts may include the use of
24 enhanced technology to ensure that all production is accurately

1 reported and the auditing of claims for refunds or rebates to verify
2 the accuracy of the claims filed.

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

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

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