

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL 1427

By: Hilbert, Ownbey and Newton
of the House

6 and

7 Leewright and Kidd of the
8 Senate

9
10 COMMITTEE SUBSTITUTE

11 [revenue and taxation - creating Out-of-State Tax
12 Collections Enforcement Act of 2017 - out-of-state
13 auditors - staffing levels - codification - effective
14 date]

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

16 SECTION 1. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 120 of Title 68, unless there is
18 created a duplication in numbering, reads as follows:

19 A. This act shall be known and may be cited as the "Out-of-
20 State Tax Collections Enforcement Act of 2017".

21 B. For the purpose of collecting taxes owed to this state, the
22 Tax Commission may establish and maintain a division to be known as
23 the "Out-of-State Tax Collections Enforcement Division". Pursuant
24 to Section 262 of Title 68 of the Oklahoma Statutes, the Tax

1 Commission may contract with out-of-state, private auditors or audit
2 firms and may require any person performing an audit to be first
3 approved by the Tax Commission.

4 C. The Tax Commission may employ full-time, unclassified, out-
5 of-state tax auditors or full-time-equivalent contracted auditors to
6 staff the Division who shall perform audit functions related to
7 enhancing:

8 1. Sales and use tax collections related to sales or
9 transactions involving residents of Oklahoma and out-of-state
10 vendors with a nexus to the State of Oklahoma; and

11 2. Collections of any other unpaid taxes owed the State of
12 Oklahoma by out-of-state individuals, firms and corporations.

13 D. For purposes of this section, the term "audit function"
14 includes but is not limited to the auditing of the books of
15 individuals, firms and corporations which the Tax Commission
16 believes may owe the State of Oklahoma additional tax monies.

17 E. The Tax Commission shall annually submit a report to the
18 Governor, President Pro Tempore of the Senate and Speaker of the
19 House listing the number of individuals, firms and corporations
20 audited, the types of taxes audited, the amount of taxes assessed
21 and the amount of taxes collected as the result of such audits.

22 SECTION 2. This act shall become effective November 1, 2017.

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