ENGROSSED HOUSE
BILL NO. 3715 By: Wallace and Casey of the House

and

David, Fields and Smalley of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 2368, as last amended by Section 2, Chapter 235, O.S.L. 2017 (68 O.S. Supp. 2017, Section 2368), which relates to income tax returns and payment; and providing for certain installment payments based upon provisions of the Internal Revenue Code.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2368, as last amended by Section 2, Chapter 235, O.S.L. 2017 (68 O.S. Supp. 2017, Section 2368), is amended to read as follows:

Section 2368. A. For tax years ending before January 1, 2017, the following individuals shall each make a return stating specifically the taxable income and, where necessary, the adjusted gross income and the adjustments provided in Section 2351 et seq. of this title to arrive at Oklahoma taxable income and, where necessary, Oklahoma adjusted gross income:

1. Every resident individual having a gross income, or gross receipts, for the taxable year in an amount sufficient to require

the filing of a federal income tax return, if single, or if married and not living with husband or wife; and

2. Every resident individual having a gross income, or gross receipts, for the taxable year in an amount sufficient to require the filing of a federal income tax return, if married and living with husband or wife.

Provided however, every resident individual who does not meet the requirements sufficient to file a federal return, but has Oklahoma withholding, may file a claim for refund for all Oklahoma income taxes withheld and shall not be subject to the provisions of Section 2358 of this title; and

3. Every nonresident individual having Oklahoma gross income for the taxable year of One Thousand Dollars ($1,000.00) or more.

B. If a husband and wife, living together, have an aggregate gross income or gross receipts, for such year, in an amount sufficient to require the filing of a federal income tax return:

1. Each shall make a return; or

2. The income of each shall be included in a single joint return, in which case the tax shall be computed on the aggregate net income.

C. 1. For tax years beginning on or after January 1, 2017, every resident individual whose gross income from both within and outside of Oklahoma exceeds the sum of the standard deduction and personal exemption allowed in Section 2358 of this title shall file an Oklahoma income tax return. Resident individuals not required to file a federal income tax return must attach a completed federal income tax return to the Oklahoma income tax return to show how adjusted gross income and deductions were determined, if their gross income is more than their adjusted gross income. The Oklahoma income tax return must show the taxable income and, where necessary, the adjusted gross income and modifications required by Section 2351 et seq. of this title, and any other information the Tax Commission may require.

2. Every nonresident individual having Oklahoma gross income for the taxable year of One Thousand Dollars ($1,000.00) or more shall file an Oklahoma income tax return.

D. If an individual is unable to make his or her own return, the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such individual.

E. Every partnership shall make a return for each taxable year, stating the taxable income and the adjustments to arrive at Oklahoma income. The Oklahoma return shall include a schedule showing the distribution to partners of the various items of income as per the federal return and the adjustments required by Section 2351 et seq. of this title for Oklahoma. The return shall be signed by one of the partners. If a partnership has elected pursuant to the provisions of Section 761 of the Internal Revenue Code, or any provision comparable thereto, not to file partnership income tax returns, that partnership shall not be required to file an Oklahoma partnership return. The Oklahoma Tax Commission shall promulgate rules for purposes of partnership returns when multiple partners would otherwise be required to file a nonresident return. The rules shall provide a specific number of partners in a partnership above which a composite return may be filed. The return shall be in such form as prescribed by the Tax Commission.

F. Every corporation shall make a return for each taxable year stating the taxable income and the adjustments provided in Section 2351 et seq. of this title to arrive at Oklahoma taxable income. In addition, corporations electing subchapter S treatment pursuant to the Internal Revenue Code and Section 2351 et seq. of this title, shall include a schedule showing the distribution to shareholders of the various items of income as per the federal return and the adjustments for Oklahoma. All corporation returns shall be signed by the president, vice president, or other principal officer and the corporate seal impressed. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make a return for such corporations in the same manner and form as corporations are required to make returns. Any tax due on the basis of such returns made by receivers, trustees, or assignees shall be collected in the same manner as if collected from the corporations of whose business or property they have custody and control.

G. Every resident estate and trust shall make a return for each taxable year stating the taxable income and the adjustments to arrive at Oklahoma taxable income. Every nonresident estate or trust having Oklahoma taxable income as provided in Section 2362 of this title shall make a return for each taxable year stating the taxable income and the adjustments to arrive at Oklahoma taxable income. The Oklahoma return shall include a schedule showing the distribution to beneficiaries, if any, of the various items of income as per the federal return and the adjustments for Oklahoma. The fiduciary shall be responsible for making the return and the return shall be signed by the fiduciary, or by one fiduciary if there is more than one. The Tax Commission shall promulgate rules for purposes of estate and trust returns when multiple returns would otherwise be required of nonresident beneficiaries of estates or trusts. The return shall be in such form as prescribed by the Tax Commission.

H. 1. All individual returns, except individual returns filed electronically, made on the basis of the calendar year shall be due on or before the fifteenth day of April following the close of the taxable year. Provided, if the Internal Revenue Code provides for a later due date for returns of individuals, the Tax Commission shall accept returns filed by individuals by such date and such returns shall be considered as timely filed.

2. All individual returns filed electronically, made on the basis of the calendar year, shall be due on or before the twentieth day of April following the close of the taxable year.

3. All individual returns made on the basis of a fiscal year shall be due on or before the fifteenth day of the fourth month following the close of the fiscal year.

4. For tax years beginning before January 1, 2016, calendar year corporation returns shall be due on or before the fifteenth day of March following the close of the taxable year. For tax years beginning on or after January 1, 2016, calendar year corporation returns shall be due no later than thirty (30) days after the due date established under the Internal Revenue Code.

5. For tax years beginning before January 1, 2016, fiscal year corporation returns shall be due on or before the fifteenth day of the third month following the close of the fiscal year. For tax years beginning on or after January 1, 2016, fiscal year corporation returns shall be due no later than thirty (30) days after the due date established under the Internal Revenue Code.

6. For tax years beginning before January 1, 2016, partnership returns shall be due on or before the fifteenth day of April following the close of the taxable year. For tax years beginning on or after January 1, 2016, partnership returns shall be due no later

than thirty (30) days after the due date established under the Internal Revenue Code.

7. All estate and trust returns made on the basis of the calendar year shall be due on or before the fifteenth day of April following the close of the taxable year. All estate and trust returns made on the basis of a fiscal year shall be due on or before the fifteenth day of the fourth month following the close of the fiscal year.

8. In the case of complete liquidation, or the dissolution, of a corporation the return of such corporation shall be made on or before the fifteenth day of the fourth month following the month in which the corporation is completely liquidated. A corporation which has terminated its business activities, satisfied or made provision for all of its liabilities or has distributed all of its assets, even though not formally dissolved under state law, is deemed to have completely liquidated for purposes of this subsection.

I. Returns by individuals, fiduciaries, partnerships, corporations or any other person or entity required, or that may hereafter be required to file a return, shall contain or be verified by a written declaration that such return is made under the penalties of perjury and the fact that any individual's name is signed to a filed return shall be prima facie evidence for all purposes that the return was actually signed by that individual. Provided, the Tax Commission shall promulgate rules to provide procedures for verification of signatures on returns which are filed electronically.

J. Every return required by Section 2351 et seq. of this title shall be in such form as the Tax Commission may, from time to time, prescribe. Each return shall be filed with the Tax Commission and forms shall be furnished by the Tax Commission on application therefor, but failure to secure or receive the form of a return prescribed shall not relieve any taxpayer from the obligation of making and filing any return herein required.

K. For tax years ending after January 1, 2017, if a taxpayer elects to make installment payments of tax due pursuant to the provisions of subsection (h) of Section 965 of the Internal Revenue Code, 26 U.S.C., Section 965, such election may also apply to the payment of Oklahoma income tax, attributable to the income upon which such installment payments are based.

Passed the House of Representatives the 24th day of April, 2018.

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Presiding Officer of the House
of Representatives

Passed the Senate the ___ day of __________, 2018.

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Presiding Officer of the Senate