HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE BILL 3143 By: Dunnington

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2011, Sections 1361.1 and 1362.2, which relate to proofs of sales tax exemptions; providing certain interpretation of certain phrase under certain conditions; prohibiting certain acts by vendors under certain conditions; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1361.1, is amended to read as follows:

Section 1361.1 A. If a vendor, in good faith, timely accepts from a consumer properly completed documentation certified by the Oklahoma Tax Commission that such consumer is exempt from the taxes levied by the Oklahoma Sales Tax Code, the vendor shall be relieved of any liability for any sales tax or the duty to collect any sales tax imposed by the provisions of Section 1361 of this title upon such vendor with respect to such sale.

B. A vendor who has actual knowledge that a consumer is entitled to an exemption under paragraph 34 of Section 1357 of this title and who willfully or intentionally refuses to honor the exemption shall be punished by an administrative fine of Five Hundred Dollars ($500.00) per offense. A second or subsequent violation of this subsection shall be unlawful and constitute a misdemeanor offense punishable by a fine of not more than Five Hundred Dollars ($500.00) per such offense, in addition to any administrative fine. The Tax Commission shall refer any vendor who has more than once willfully or intentionally refused to honor the exemption, whether fined or not, to the district attorney where the vendor is located for prosecution. For the purposes of this subsection, "vendor" means any individual most responsible for supervising, and the conduct of, any employee who intentionally refuses to honor the exemption including, but not limited to, a manager, owner, partner or corporate officer. <u>For purposes of this subsection, a vendor is deemed to have actual knowledge that a consumer is entitled to an exemption under paragraph 34 of Section 1357 of this title if the vendor has been presented by the consumer, proof of eligibility for the exemption as issued by the Oklahoma Tax Commission.</u>

C. Any written communication between the Commission and any holder of a sales tax permit that is an attempt by the Commission to enforce the provisions of this section shall be public and, notwithstanding any other provision of law, no presumption of confidentiality shall exist for such communications. The Commission shall, upon request of any consumer entitled to an exemption under paragraph 34 of Section 1357 of this title, transmit to such consumer copies of such communication.

SECTION 2. AMENDATORY 68 O.S. 2011, Section 1361.2, is amended to read as follows:

Section 1361.2 In order to claim the exemption authorized by paragraph 34 of Section 1357 of ~~Title 68 of the Oklahoma Statutes~~ this title, the person to whom the sale is made shall be required to furnish the vendor proof of eligibility for the exemption as issued by the Oklahoma Tax Commission. All vendors shall honor the proof of eligibility for sales tax exemption and sales for the benefit of the disabled veteran to a person providing such proof shall be exempt from the tax levied pursuant to the Oklahoma Sales Tax Code. No vendor shall require a person to show additional verification to claim the exemption authorized by paragraph 34 of Section 1357 of this title if the person has furnished the vendor proof of eligibility for the exemption as issued by the Oklahoma Tax Commission.

SECTION 3. This act shall become effective November 1, 2018.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated 03/01/2018 - DO PASS.