

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 1427
Version:	INT
Request Number:	5410
Author:	Rep. Hilbert
Date:	2/15/2017
Impact:	Tax Commission:

Revenue Impact: Unknown
Increase in Collections

Administrative Cost Estimate: \$450,000

Research Analysis

HB1427, as introduced, creates the Out-of-State Tax Collections Enforcement Act of 2017 and requires the Oklahoma Tax Commission to establish a field office outside of the state with at least five full time tax auditors whose main duty is to pursue the collection of unpaid taxes owed to the state by a remote seller or out-of-state individuals, firms and corporations.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

HB 1427 proposes a new section of law creating the act known as the “Out-of-State Tax Collections Enforcement Act of 2017”. For the purpose of collecting taxes owed to this state this measure provides that the Tax Commission shall establish and maintain not less than one field office in a state other than Oklahoma.¹

In addition to the field office established and maintained in a state other than Oklahoma, the Tax Commission shall maintain in full time employment not less than five out-of-state tax auditors who shall perform audit functions related to enhancing:

1. Sales and use tax collections related to sales or transactions involving residents of Oklahoma and out-of-state vendors with a nexus to the State of Oklahoma; and
2. Collections of any other unpaid taxes owed the State of Oklahoma by out-of-state individuals, firms and corporations.

The estimated cost to the Tax Commission to maintain and lease a field office in a state other than Oklahoma and the estimated cost of salary and compensation for at least five out-of-state tax auditors is \$450,000.

¹ The proposed measure does not specify what other state in which a field office should be established and maintained.

Prepared By: Mark Tygret

Other Considerations

None.

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