

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 2252
Version:	SUBREC
Request Number:	7107
Author:	Rep. Brumbaugh
Date:	2/27/2017
Impact:	Tax Commission:
	No Impact to State Revenue

Research Analysis

HB2252 allows the Oklahoma Tax Commission to bypass judicial approval for interest or penalty waivers for sums less than \$25,000. The current monetary threshold is \$10,000.

The measure also allows qualifying taxpayers to enter into a voluntary disclosure agreement with the Oklahoma Tax Commission and be eligible for penalty and interest waivers. By reporting any tax liabilities owed by the taxpayer and making arrangements with the commission for the repayment of principal taxes due, the commission will limit the lookback period to three year for annual filed taxes or 36 months for taxes that do not have an annual filing frequency.

Other qualifying taxpayers may also be eligible to enter into modified voluntary disclosure agreements with the commission. With a modified disclosure agreement, penalty and interest waivers are at the discretion of the commission and the lookback period is unlimited.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

The Sub-Committee Recommendation for HB 2252 proposes to amend 68 O.S. §220 which relates to the Uniform Tax Procedure Code by modifying amount required of interest and penalty waived for approval by district court, providing for voluntary disclosure agreements and for waiver of designated percentage of interest.

The proposed measure amends the amount of interest and penalties waived by the Tax Commission which shall not become effective unless approved by one of the judges of the district court of Oklahoma County from the current \$10,000.00 to \$25,000.00.

In addition, this measure provides guidelines for taxpayers entering into voluntary disclosure agreements and modified voluntary disclosure agreements with the Tax Commission.¹ The provisions related to voluntary and modified disclosure agreements are as follows:

The Tax Commission shall limit the period for which additional taxes may be assessed (the lookback period) to three (3) taxable years of annually filed taxes, or thirty-six (36) months for taxes that do not have an annual filing frequency.

Voluntary disclosure agreements may be denied or nullified by the Tax Commission if a taxpayer's failure to report or pay is determined to be the result of a pattern of intentional or gross negligence regarding compliance with the laws.

Modified Voluntary Disclosure Agreement

Taxpayers who meet all of the qualifications to enter into a voluntary disclosure agreement except that they have collected taxes from others, such as sales and use taxes or payroll taxes, and not reported those taxes, may enter into a modified voluntary disclosure agreement. The provisions of modified agreement are same as voluntary disclosure agreement except that (1) waiver of interest shall not apply except as may be optionally granted at the discretion of the Tax Commission, and (2) the period for which taxes must be reported and remitted is extended beyond the three-year or thirty-six month period provided for in voluntary disclosure agreements.

There is no impact to state revenues associated with this proposal.

Prepared By: Mark Tygret

Other Considerations

None.