

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 3156
Version:	INT
Request Number:	8954
Author:	Rep. Sears
Date:	2/19/2018
Impact:	\$0

Requested by the Tax Commission

Research Analysis

HB3156, as introduced, makes several changes to the administrative functions of the Oklahoma Tax Commission. The measure:

- removes the requirement for notices regarding a city or town's decision to call for regular municipal elections to be provided to the commission;
- increases, from \$10,000 to \$25,000, the maximum amount of tax liability that can be compounded, settled, compromised, or abated through an agreement with the commission without judicial approval;
- establishes an administrative process and timeline to allow any person from whom contraband cigarettes, tobacco products and associated materials were seized to request a hearing with the commission or Attorney General to explain why the seized property should not be forfeited and destroyed; and
- changes the due date for the annual withholding tax reconciliation return from February 28 to January 31.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

Section 1

Under current law, no monies shall be distributed pursuant to Section 1104 of Title 47 and Section 504 of Title 68 of the Oklahoma Statutes to any incorporated city or town which has failed to hold a general or special municipal election to elect officers or a biennial town meeting on the dates required by law. An incorporated city or town shall henceforth send the county treasurer of the county in which it is located *and the chairman of the Oklahoma Tax Commission, or a person designated by the Oklahoma Tax Commission* to receive service of process, a copy of the municipality's notice of biennial town meeting or resolution calling for its regular municipal elections.

The amendment would remove the requirement that an incorporated city or town send the Chairman of the Tax Commission or a person designated by the Tax Commission to receive service of process, a copy of the municipality's notice of a biennial town meeting or resolution calling for its regular municipal elections.

Sections 2 and 3

Amends Title 68 Sections 219 and 219.1 by increasing the effective minimum amounts necessary for district court approval of an agreement to compound, settle or compromise any controversy relating to taxes collectible from the current Ten Thousand Dollars (\$10,000.00) to Twenty Five Thousand Dollars (\$25,000.00) to be consistent with the changes made in HB 2252 (waiver of interest and penalty in 68 O.S. §220) effective November 1, 2017.

Sections 4, 5 and 6

Amends 68 O.S. §§305(E)(2), 360.7(C)(3) and 417(C) in regards to cigarette stamps or tobacco products tax compliance, by providing for the right of a taxpayer to request a hearing within a set period of time (60 days), otherwise the seized items would be forfeited and destroyed.

Under current law, these sections require the Tax Commission to hold a hearing in order to confiscate and destroy cigarettes and tobacco products which are not compliant with state statutes.

Section 7

Amends 68 O.S. §2385.3 in which every employer that deducts and withholds a tax from the wages paid an employee shall furnish to the Tax Commission, on or before January 31 of the succeeding year, an annual reconciliation. Currently, this information must be provided to the Tax Commission on or before February 28. The January 31 date coincides with the federal schedule.

The proposed legislation is a request from the Tax Commission and there is no estimated fiscal or administrative impact.

Prepared By: Mark Tygret

Other Considerations

None.