

MEMORANDUM

OKLAHOMA TAX COMMISSION
TAX POLICY AND RESEARCH

DATE: April 23, 2018

SUBJECT: HB 3715 - Proposed Committee Substitute

TO: Joe Gappa, Deputy Director

FROM: Michael C. Kaufmann, Tax Policy Analyst

The Proposed Committee Substitute for HB 3715 amends 68 O.S. § 2368 relating to the filing and payment of Oklahoma income tax by adding a new provision for taxpayers that make elections under the Internal Revenue Code for installment payments for certain limited transactions effective for tax year 2017¹ and subsequent years.

The estimated impact of allowing taxpayers who elect to make installment payments of federal tax under subsection (h) of Section 965 of the Internal Revenue Code, 26 U.S.C., Section 965 to make a similar installment payment for Oklahoma income tax purposes for the same transaction beginning with tax year 2017 should have a minimal impact in FY19 or FY20.

¹ Under the provisions of HR1 enacted in December 2017 certain foreign transactions are deemed to occur and are reported in a specific tax year and the ensuing tax may be paid to the IRS in 8 annual installments at the election of the taxpayer.