

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 495

By: Dossett

COMMITTEE SUBSTITUTE

An Act relating to retailers of vapor products;
amending 68 O.S. 2011, Section 1364, which relates to
permits to do business; requiring certain
notification; updating statutory language; and
providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1364, is
amended to read as follows:

Section 1364. Permits to do business.

A. 1. Every person desiring to engage in a business within
this state who would be designated as a Group One or Group Three
vendor, pursuant to Section 1363 of this title, shall be required to
secure from the Oklahoma Tax Commission every three (3) years a
written permit for a fee of Twenty Dollars (\$20.00) prior to
engaging in such business in this state. Each such person shall
file with the Tax Commission an application for a permit to engage
in or transact business in this state, setting forth such

1 information as the Tax Commission may require. The application
2 shall be signed by the owner of the business or representative of
3 the business entity and as a natural person, and, in the case of a
4 corporation, as a legally constituted officer thereof.

5 2. Every person desiring to engage in a business within this
6 state who intends to sell vapor products shall be required to notify
7 the Oklahoma Tax Commission of such intent through the business
8 registration process. If, after the person is already registered
9 with the Tax Commission to conduct business, a person decides to
10 sell vapor products, the person shall notify the Tax Commission of
11 such intent through a method prescribed by the Tax Commission.

12 B. Upon receipt of an initial application, the Tax Commission
13 may issue a probationary permit effective for six (6) months which
14 will automatically renew for an additional thirty (30) months unless
15 the applicant receives written notification of the refusal of the
16 Commission to renew the permit. If the applicant receives a notice
17 of refusal, the applicant may request a hearing to show cause why
18 the permit should be renewed. Upon receipt of a request for a
19 hearing, the Tax Commission shall set the matter for hearing and
20 give ten (10) days' notice in writing of the time and place of the
21 hearing. At the hearing, the applicant shall set forth the
22 qualifications of the applicant for a permit and proof of compliance
23 with all state tax laws.

1 C. Holders of a probationary permit as provided in subsection B
2 of this section shall not be permitted to present the permit to
3 obtain a commercial license plate for their motor vehicle as
4 provided in Section 1133.1 of Title 47 of the Oklahoma Statutes.

5 D. Upon verification that the applicant is a Group Three
6 vendor, the Tax Commission may require such applicant to furnish a
7 surety bond or other security as the Commission may deem necessary
8 to secure payment of taxes under this article, prior to issuance of
9 a permit for the place of business set forth in the application for
10 permit. Provided, the Tax Commission is hereby authorized to set
11 guidelines, by adoption of regulations, for the issuance of sales
12 tax permits. Pursuant to ~~said~~ the guidelines the Tax Commission may
13 refuse to issue permits to any Group Three vendors, or any class of
14 vendors included in the whole classification of Group Three vendors,
15 if the Tax Commission determines that it is likely this state will
16 lose tax revenue due to the difficulty of enforcing this article for
17 any reasons stated in ~~subsection (T)~~ paragraph 21 of subsection A of
18 Section 1354 of this title.

19 E. A separate permit for each additional place of business to
20 be operated must be obtained from the Tax Commission for a fee of
21 Ten Dollars (\$10.00). Such permit shall be good for a period of
22 three (3) years. The Tax Commission shall grant and issue to each
23 applicant a separate permit for each place of business in this
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1 state, upon proper application therefor and verification thereof by
2 the Tax Commission.

3 F. A permit is not assignable and shall be valid only for the
4 person in whose name it is issued and for the transaction of
5 business at the place designated therein. The permit shall at all
6 times be conspicuously displayed at the place of business for which
7 issued in a position where it can be easily seen. The permit shall
8 be in addition to all other permits required by the laws of this
9 state. Provided, if the location of the business is changed, such
10 person shall file with the Tax Commission an application for a
11 permit to engage in or transact business at the new location. Upon
12 issuance of the permit to the new location of such business, no
13 additional permit fee shall be due until the expiration of the
14 permit issued to the previous location of such business.

15 G. It shall be unlawful for any person coming within the class
16 designated as Group One or the class designated as Group Three to
17 engage in or transact a business of reselling tangible personal
18 property or services within this state unless a written permit or
19 permits shall have been issued to such person. Any person who
20 engages in a business subject to the provisions of this section
21 without a permit or permits, or after a permit has been suspended,
22 upon conviction, shall be guilty of a misdemeanor punishable by a
23 fine of not more than One Thousand Dollars (\$1,000.00). Any person
24 convicted of a second or subsequent violation hereof shall be guilty

1 of a felony and punishable by a fine of not more than Five Thousand
2 Dollars (\$5,000.00) or by a term of imprisonment in the State
3 Penitentiary for not more than two (2) years, or both such fine and
4 imprisonment.

5 H. Any person operating under a permit as provided in this
6 article shall, upon discontinuance of business by sale or otherwise,
7 return such permit to the Tax Commission for cancellation, together
8 with a remittance for any unpaid or accrued taxes. Failure to
9 surrender a permit and pay any and all accrued taxes will be
10 sufficient cause for the Tax Commission to refuse to issue a permit
11 subsequently to such person to engage in or transact any other
12 business in this state. In the case of a sale of any business, the
13 tax shall be deemed to be due on the sale of the fixtures and
14 equipment, and the Tax Commission shall not issue a permit to
15 continue or conduct the business to the purchaser until all tax
16 claims due the State of Oklahoma have been settled.

17 I. All permits issued under the provisions of this article
18 shall expire three (3) years from the date of issuance at the close
19 of business at each place or location of the business within this
20 state. No refund of the fee shall be made if the business is
21 terminated prior to the expiration of the permit.

22 J. Whenever a holder of a permit fails to comply with any
23 provisions of this article, the Tax Commission, after giving ten
24 (10) days' notice in writing of the time and place of hearing to

1 show cause why the permit should not be revoked, may revoke or
2 suspend the permit, the permit to be renewed upon removal of cause
3 or causes of revocation or suspension. However, if a holder of a
4 permit becomes delinquent for a period of three (3) months or more
5 in reporting or paying of any tax due under this article, any duly
6 authorized agent of the Tax Commission may remove the permit from
7 the taxpayer's premises and it shall be returned or renewed only
8 upon the filing of proper reports and payment of all taxes due under
9 this article.

10 K. Permits are not required of persons coming within the
11 classification designated as Group Two. The Oklahoma Tax Commission
12 shall issue a limited permit to Group Five vendors. The permit
13 shall be in such form as the Tax Commission may prescribe.

14 L. Nothing in this article shall be construed to allow a permit
15 holder to purchase, tax exempt, anything for resale that the permit
16 holder is not regularly in the business of reselling.

17 M. All monies received pursuant to issuance of such permits to
18 do business shall be paid to the State Treasurer and placed to the
19 credit of the General Revenue Fund of the State Treasury.

20 N. Notwithstanding the provisions of Section 205 of this title,
21 the Oklahoma Tax Commission is authorized to release the following
22 information contained in the Master Sales and Use Tax File to
23 vendors:

24 1. Permit number;

2. Name in which permit is issued;
3. Name of business operation if different from ownership
(DBA);
4. Mailing address;
5. Business address;
6. Business class or Standard Industrial Code (SIC); and
7. Effective date and expiration or cancellation date of
permit.

Release of such information shall be limited to tax remitters
for the express purpose of determining the validity of sales permits
presented as evidence of purchasers' sales tax resale status under
this Code.

The provisions of this subsection shall be strictly interpreted
and shall not be construed as permitting the disclosure of any other
information contained in the records and files of the Tax Commission
relating to sales tax or to any other taxes.

This information may be provided on a subscription basis, with
periodic updates, and sufficient fee charged, not to exceed One
Hundred Fifty Dollars (\$150.00) per year, to offset the
administrative costs of providing the list. All revenue received by
the Oklahoma Tax Commission from such fees shall be deposited to the
credit of the Oklahoma Tax Commission Revolving Fund. No liability
whatsoever, civil or criminal, shall attach to any member of the Tax

1 Commission or any employee thereof for any error or omission in the
2 disclosure of information pursuant to this subsection.

3 O. If the Tax Commission enters into the Streamlined Sales and
4 Use Tax Agreement under Section 1354.18 of this title, the Tax
5 Commission is authorized to participate in its online sales and use
6 tax registration system and shall not require the payment of the
7 registration fees or other charges provided in this section from a
8 vendor who registers within the online system if the vendor has no
9 legal requirement to register.

10 SECTION 2. This act shall become effective November 1, 2019.

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