

1 ENGROSSED SENATE
2 BILL NO. 1545

By: Bice of the Senate

3 and

4 Fetgatter of the House
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6 An Act relating to sales tax refunds; amending 68
7 O.S. 2011, Section 227, as last amended by Section 1,
8 Chapter 358, O.S.L. 2016 (68 O.S. Supp. 2019, Section
9 227), which relates to claims for refunds; providing
10 specified exception to authorization for refund of
11 taxes paid erroneously; amending 68 O.S. 2011,
12 Section 1361.2, which relates to procedure for
13 claiming specified sales tax exemption for certain
14 disabled veterans; specifying conditions under which
15 certain refund may be claimed and establishing
16 related requirement; updating statutory language; and
17 providing an effective date.

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

19 SECTION 1. AMENDATORY 68 O.S. 2011, Section 227, as last
20 amended by Section 1, Chapter 358, O.S.L. 2016 (68 O.S. Supp. 2019,
21 Section 227), is amended to read as follows:

22 Section 227. ~~(a) Any~~ A. Except as provided in subsection B of
23 Section 1361.2 of this title, any taxpayer who has paid to the State
24 of Oklahoma, through error of fact, or computation, or
misinterpretation of law, any tax collected by the Tax Commission
may, as hereinafter provided, be refunded the amount of such tax so
erroneously paid, without interest.

1 ~~(b)~~ ~~(1)~~ B. 1. Except as otherwise provided by ~~division (2)~~
2 paragraph 2 of this subsection, any taxpayer who has so paid any
3 such tax may, within three (3) years from the date of payment
4 thereof file with the Tax Commission a verified claim for refund of
5 such tax so erroneously paid. The Tax Commission may accept an
6 amended withholding tax or other report or return as a verified
7 claim for refund if the amended report or return establishes a
8 liability less than the original report or return previously filed.

9 ~~(2)~~ 2. Upon ~~the effective date of this act~~ August 26, 2016,
10 with respect to the sales tax imposed by Section 1354 of this title
11 and with respect to the use tax imposed by Section 1402 of this
12 title, any taxpayer who has so paid such sales or use tax may,
13 within two (2) years from the date of payment thereof file with the
14 Tax Commission a verified claim for refund of such tax so
15 erroneously paid. The Tax Commission may accept an amended sales or
16 use tax report or return as a verified claim for refund if the
17 amended report or return establishes a liability less than the
18 original report or return previously filed.

19 ~~(c)~~ ~~Said~~ C. The claim so filed with the Tax Commission, except
20 for an amended report or return, shall specify the name of the
21 taxpayer, the time when and period for which ~~said~~ the tax was paid,
22 the nature and kind of tax so paid, the amount of the tax which ~~said~~
23 the taxpayer claimed was erroneously paid, the grounds upon which a
24 refund is sought, and such other information or data relative to

1 such payment as may be necessary to an adjustment thereof by the Tax
2 Commission. It shall be the duty of the Commission to determine
3 what amount of refund, if any, is due as soon as practicable after
4 such claim has been filed and advise the taxpayer about the
5 correctness of his claim and the claim for refund shall be approved
6 or denied by written notice to the taxpayer.

7 ~~(d)~~ D. If the claim for refund is denied, the taxpayer may file
8 a demand for hearing with the Commission. The demand for hearing
9 must be filed on or before the sixtieth day after the date the
10 notice of denial was mailed. If the taxpayer fails to file a demand
11 for hearing, the claim for refund shall be barred.

12 ~~(e)~~ E. Upon the taxpayer's timely filing of a demand for
13 hearing, the Commission shall set a date for hearing upon the claim
14 for refund which date shall not be later than sixty (60) days from
15 the date the demand for hearing was mailed. The taxpayer shall be
16 notified of the time and place of the hearing. The hearing may be
17 held after the sixty-day period provided by this subsection upon
18 agreement of the taxpayer.

19 ~~(f)~~ F. The provisions of this section shall not apply: ~~(1) to~~

20 1. To refunds of income tax erroneously paid, refunds of which
21 tax shall be payable out of the income tax adjustment fund as
22 provided by law; ~~(2) to~~

23 2. To estate tax because the payment of such tax is covered by
24 an order of the Tax Commission and the estate and interested parties

1 are given notice that Commission's position and computation of the
2 tax will become final unless they protest and resist the payment
3 thereof as provided by statute; nor, ~~(3) in~~

4 3. In any case where the tax was paid after an assessment
5 thereof was made by the Tax Commission which assessment became final
6 under the law.

7 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1361.2, is
8 amended to read as follows:

9 Section 1361.2. A. In order to claim the exemption authorized
10 by paragraph 34 of Section 1357 of ~~Title 68 of the Oklahoma Statutes~~
11 this title, the person to whom the sale is made shall be required to
12 furnish the vendor proof of eligibility for the exemption as issued
13 by the Oklahoma Tax Commission. All vendors shall honor the proof
14 of eligibility for sales tax exemption and sales for the benefit of
15 the disabled veteran to a person providing such proof shall be
16 exempt from the tax levied pursuant to the Oklahoma Sales Tax Code.

17 B. A claim for refund of sales taxes erroneously paid may only
18 be made if a vendor refuses to honor the proof of eligibility issued
19 by the Tax Commission for the exemption authorized pursuant to
20 paragraph 34 of Section 1357 of this title and the person eligible
21 for the exemption submits to the Tax Commission a signed
22 notification of the vendor's denial of exemption on a form
23 prescribed by the Commission.

24 SECTION 3. This act shall become effective November 1, 2020.

1 Passed the Senate the 3rd day of March, 2020.

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4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2020.

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9 Presiding Officer of the House
10 of Representatives