

1 **SENATE FLOOR VERSION**

2 February 25, 2020

3 **AS AMENDED**

4 SENATE BILL NO. 1595

5 By: Treat

6 **[sales tax - permits - additional place of business**
7 **- expiration date of permits - effective date]**

8
9 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

12 Section 1364. Permits to do business.

13 A. Every person desiring to engage in a business within this
14 state who would be designated as a Group One or Group Three vendor,
15 pursuant to Section 1363 of this title, shall be required to secure
16 from the Oklahoma Tax Commission ~~every three (3) years~~ annually a
17 written permit for a fee of Twenty Dollars (\$20.00) prior to
18 engaging in such business in this state. Each such person shall
19 file with the Tax Commission an application for a permit to engage
20 in or transact business in this state, setting forth such
21 information as the Tax Commission may require. The application
22 shall be signed by the owner of the business or representative of
23 the business entity and as a natural person, and, in the case of a
24 corporation, as a legally constituted officer thereof.

1 B. Upon receipt of an initial application, the Tax Commission
2 may issue a probationary permit effective for six (6) months which
3 will automatically renew for an additional ~~thirty (30)~~ six (6)
4 months unless the applicant receives written notification of the
5 refusal of the Commission to renew the permit. If the applicant
6 receives a notice of refusal, the applicant may request a hearing to
7 show cause why the permit should be renewed. Upon receipt of a
8 request for a hearing, the Tax Commission shall set the matter for
9 hearing and give ten (10) days' notice in writing of the time and
10 place of the hearing. At the hearing, the applicant shall set forth
11 the qualifications of the applicant for a permit and proof of
12 compliance with all state tax laws.

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

17 D. Upon verification that the applicant is a Group Three
18 vendor, the Tax Commission may require such applicant to furnish a
19 surety bond or other security as the Commission may deem necessary
20 to secure payment of taxes under ~~this article~~ the Oklahoma Sales Tax
21 Code, prior to issuance of a permit for the place of business set
22 forth in the application for permit. Provided, the Tax Commission
23 is hereby authorized to set guidelines, by adoption of regulations,
24 for the issuance of sales tax permits. Pursuant to ~~said~~ the

1 guidelines the Tax Commission may refuse to issue permits to any
2 Group Three vendors, or any class of vendors included in the whole
3 classification of Group Three vendors, if the Tax Commission
4 determines that it is likely this state will lose tax revenue due to
5 the difficulty of enforcing ~~this article~~ the Oklahoma Sales Tax Code
6 for any reasons stated in ~~subsection (T)~~ paragraph 21 of subsection
7 A of Section 1354 of this title.

8 E. A separate permit for each additional place of business to
9 be operated must be obtained from the Tax Commission for a fee of
10 Ten Dollars (\$10.00). Such permit shall be good for a period of
11 ~~three (3) years~~ one (1) year. The Tax Commission shall grant and
12 issue to each applicant a separate permit for each place of business
13 in this state, upon proper application therefor and verification
14 thereof by the Tax Commission.

15 F. A permit is not assignable and shall be valid only for the
16 person in whose name it is issued and for the transaction of
17 business at the place designated therein. The permit shall at all
18 times be conspicuously displayed at the place of business for which
19 issued in a position where it can be easily seen. The permit shall
20 be in addition to all other permits required by the laws of this
21 state. Provided, if the location of the business is changed, such
22 person shall file with the Tax Commission an application for a
23 permit to engage in or transact business at the new location. Upon
24 issuance of the permit to the new location of such business, no

1 additional permit fee shall be due until the expiration of the
2 permit issued to the previous location of such business.

3 G. It shall be unlawful for any person coming within the class
4 designated as Group One or the class designated as Group Three to
5 engage in or transact a business of reselling tangible personal
6 property or services within this state unless a written permit or
7 permits shall have been issued to such person. Any person who
8 engages in a business subject to the provisions of this section
9 without a permit or permits, or after a permit has been suspended,
10 upon conviction, shall be guilty of a misdemeanor punishable by a
11 fine of not more than One Thousand Dollars (\$1,000.00). Any person
12 convicted of a second or subsequent violation hereof shall be guilty
13 of a felony and punishable by a fine of not more than Five Thousand
14 Dollars (\$5,000.00) or by a term of imprisonment in the State
15 Penitentiary for not more than two (2) years, or both such fine and
16 imprisonment.

17 H. Any person operating under a permit as provided in ~~this~~
18 ~~article~~ the Oklahoma Sales Tax Code shall, upon discontinuance of
19 business by sale or otherwise, return such permit to the Tax
20 Commission for cancellation, together with a remittance for any
21 unpaid or accrued taxes. Failure to surrender a permit and pay any
22 and all accrued taxes will be sufficient cause for the Tax
23 Commission to refuse to issue a permit subsequently to such person
24 to engage in or transact any other business in this state. In the

1 case of a sale of any business, the tax shall be deemed to be due on
2 the sale of the fixtures and equipment, and the Tax Commission shall
3 not issue a permit to continue or conduct the business to the
4 purchaser until all tax claims due the State of Oklahoma have been
5 settled.

6 I. All permits issued under the provisions of ~~this article~~ the
7 Oklahoma Sales Tax Code shall expire ~~three (3) years~~ one (1) year
8 from the date of issuance at the close of business at each place or
9 location of the business within this state. No refund of the fee
10 shall be made if the business is terminated prior to the expiration
11 of the permit.

12 J. Whenever a holder of a permit fails to comply with any
13 provisions of ~~this article~~ the Oklahoma Sales Tax Code, the Tax
14 Commission, after giving ten (10) days' notice in writing of the
15 time and place of hearing to show cause why the permit should not be
16 revoked, may revoke or suspend the permit, the permit to be renewed
17 upon removal of cause or causes of revocation or suspension.
18 However, if a holder of a permit becomes delinquent for a period of
19 three (3) months or more in reporting or paying of any tax due under
20 ~~this article~~ the Oklahoma Sales Tax Code, any duly authorized agent
21 of the Tax Commission may remove the permit from the taxpayer's
22 premises and it shall be returned or renewed only upon the filing of
23 proper reports and payment of all taxes due under ~~this article~~ the
24 Oklahoma Sales Tax Code.

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

5 L. Nothing in ~~this article~~ the Oklahoma Sales Tax Code shall be
6 construed to allow a permit holder to purchase, tax exempt, anything
7 for resale that the permit holder is not regularly in the business
8 of reselling.

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

12 N. Notwithstanding the provisions of Section 205 of this title,
13 the Oklahoma Tax Commission is authorized to release the following
14 information contained in the Master Sales and Use Tax File to
15 vendors:

- 16 1. Permit number;
- 17 2. Name in which permit is issued;
- 18 3. Name of business operation if different from ownership
19 (DBA);
- 20 4. Mailing address;
- 21 5. Business address;
- 22 6. Business class or Standard Industrial Code (SIC); and
- 23 7. Effective date and expiration or cancellation date of
24 permit.

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

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

9 This information may be provided on a subscription basis, with
10 periodic updates, and sufficient fee charged, not to exceed One
11 Hundred Fifty Dollars (\$150.00) per year, to offset the
12 administrative costs of providing the list. All revenue received by
13 the Oklahoma Tax Commission from such fees shall be deposited to the
14 credit of the Oklahoma Tax Commission Revolving Fund. No liability
15 whatsoever, civil or criminal, shall attach to any member of the Tax
16 Commission or any employee thereof for any error or omission in the
17 disclosure of information pursuant to this subsection.

18 O. If the Tax Commission enters into the Streamlined Sales and
19 Use Tax Agreement under Section 1354.18 of this title, the Tax
20 Commission is authorized to participate in its online sales and use
21 tax registration system and shall not require the payment of the
22 registration fees or other charges provided in this section from a
23 vendor who registers within the online system if the vendor has no
24 legal requirement to register.

1 SECTION 2. This act shall become effective July 1, 2021.

2 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
3 February 25, 2020 - DO PASS AS AMENDED
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