

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 2313
Version:	INT
Request Number:	7465
Author:	Rep. Marti
Date:	2/13/2019
Impact:	Tax Commission:
	\$0 Revenue Impact
	Unknown Significant Administrative Costs

Research Analysis

HB2313, as introduced, requires the Oklahoma Tax Commission to maintain a database of taxpayer provided email addresses to provide electronic notification, in addition to any form of notice required by law, to a taxpayer regarding assessment of a tax liability, denial of a refund claim, notice of any form or hearing before the commission or any other proceeding or action.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

HB 2313 proposes new law to be codified as 68 § 208.1 stating that the Oklahoma Tax Commission, in addition to any form of notice required by law to be provided to a taxpayer regarding assessment of tax liability, denial of a refund claim, notice of any form of hearing before the Oklahoma Tax Commission or any other proceeding or action, shall provide such notice to taxpayer in the form of an electronic notification, including but not limited to electronic mail using the email address or other form of electronic communication provided to the Tax Commission and designated by the taxpayer.

Additionally, HB 2313 requires the Oklahoma Tax Commission to maintain a database of electronic mail addresses or other electronic means of communication designated by the taxpayer, which the taxpayer may modify once per calendar year.

The Oklahoma Tax Commission has identified the following potential issues with this measure:

- As a matter of protecting taxpayer data, the Oklahoma Tax Commission does not transmit any Personally Identifiable Information by email because email is an unsecure mode of data transmittal.
- The Internal Revenue Service's Publication 1075 prohibits the transmittal of any Federal Tax Information ("FTI") via unencrypted email. Most of the Oklahoma Tax Commission's lead and assessment letters are derived from FTI, therefore disallowing that correspondence from email transmission.
- Many email account holders change their email addresses relatively often and forget to notify entities of the change.
- This would open the Oklahoma Tax Commission to liability issues, including risk of fraudsters changing emails and the security of the database.

No revenue impact in state revenues expected due to this proposed legislation. However, there are unknown significant administrative costs expected from this proposed legislation.

Prepared By: Mark Tygret

Other Considerations

None.

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