

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	SB 511
Version:	ENGR
Request Number:	NA
Author:	Rep. Fetgatter
Date:	4/10/2019
Impact:	Tax Commission:
	\$0

Research Analysis

Engrossed SB511 modifies numerous provisions relating to tax administration. The measure:

- Clarifies that payment of alcohol excise tax is to be remitted by the person first possessing, selling, using or distributing an alcoholic beverage;
- Changes the monthly due date for reporting alcohol sales and purchases to the Oklahoma Tax Commission (OTC) from the tenth day of the month to the twentieth day;
- Requires notice to be given to the OTC when a judgment or settlement is awarded in any action affecting the ownership or right of possession of intangible personal property;
- Changes the due date for remitting funds recovered by a debt collection agency contracting with the OTC from five days to a reasonable period of time; and
- Changes the qualifier for mandatory participation in the OTC electronic fund transfer and data interchange program by basing the sales tax threshold on the preceding 12 month period rather than the previous fiscal year;

Prepared By: Quyen Do

Fiscal Analysis

Review provided by the Tax Commission:

Section 1 of SB 511 proposes to amend 37A §5-101 by clarifying tax remittance responsibilities for alcohol excise tax and Section 2 proposes to amend §5-113 of Title 37A by modifying the date from the current, tenth day of each month, to the twentieth day of each month in which certain alcoholic beverage reports are due.

Section 3 amends 68 O.S. §234 to clarify that Tax Commission liens for unpaid taxes, interest and penalties attach to intangible personal property, such as personal injury lump sum judgments and settlements. The relevant amendment includes that in any action affecting the ownership or right of possession of intangible personal property, such as a settlement or court judgment, the Tax Commission shall be given notice of such action for the purpose of determining its lien upon the property involved therein in cases where notice of the lien of the state has been filed and indexed as provided in Sections 230 and 231 of Title 68.

Section 4 amends 68 O.S. §255(G) by removing the five day time period in which funds collected by an Outside Collection Agency shall be remitted to the Tax Commission to “a reasonable period of time” from the date of collection from a taxpayer. This change will help avoid the processing of insufficient fund checks by the Tax Commission by allowing more time for funds remitted by taxpayers to have cleared their financial institutions before being remitted from the collection agency to the Tax Commission.

Section 5 amends 68 O.S. §1365 related to when sales tax is due and reported. Under current law every person owing an average of \$2,500.00 or more per month in total sales taxes in the previous fiscal year shall remit the tax due and shall participate in the Tax Commission's electronic funds transfer and electronic data interchange program. The proposed measure changes the time to determine the average of \$2,500.00 or more per month in total sales from the "previous fiscal year" to "immediately preceding twelve-month period". The proposed change increases the Tax Commission's efficiency to manage the evaluation process and change the taxpayer's remittance frequency.

These proposals have no expected change in state revenues.

Prepared By: Mark Tygret

Other Considerations

None.