

1 ENGROSSED SENATE  
2 BILL NO. 596

By: Rader and Jett of the  
Senate

3 and

4 Pfeiffer of the House  
5  
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7 An Act relating to sales tax refunds; amending 68  
8 O.S. 2011, Section 227, as last amended by Section 1,  
Chapter 358, O.S.L. 2016 (68 O.S. Supp. 2020, Section  
9 227), which relates to claims for refunds; providing  
specified exception to authorization for refund of  
10 taxes paid erroneously; amending 68 O.S. 2011,  
Section 1361.2, which relates to procedure for  
11 claiming specified sales tax exemption for certain  
disabled veterans; specifying conditions under which  
12 certain refund may be claimed and establishing  
related requirement; updating statutory language; and  
13 providing an effective date.  
14

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

16 SECTION 1. AMENDATORY 68 O.S. 2011, Section 227, as last  
17 amended by Section 1, Chapter 358, O.S.L. 2016 (68 O.S. Supp. 2020,  
18 Section 227), is amended to read as follows:

19 Section 227. ~~(a) Any~~ A. Except as provided in subsection B of  
20 Section 1361.2 of this title, any taxpayer who has paid to the State  
21 of Oklahoma, through error of fact, or computation, or  
22 misinterpretation of law, any tax collected by the Oklahoma Tax  
23 Commission may, as hereinafter provided, be refunded the amount of  
24 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)~~ ~~Upon the effective date of this act~~ 2. Beginning August  
10 26, 2016, with respect to the sales tax imposed by Section 1354 of  
11 this title and with respect to the use tax imposed by Section 1402  
12 of this title, any taxpayer who has so paid such sales or use tax  
13 may, within two (2) years from the date of payment thereof file with  
14 the 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 or her claim and the claim for refund shall be  
6 approved 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, 2021.

1 Passed the Senate the 11th day of February, 2021.

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3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2021.

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8 \_\_\_\_\_  
9 Presiding Officer of the House  
10 of Representatives