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3   SENATE BILL NO. 596   By: Rader

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

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

15   SECTION 1.   AMENDATORY   68 O.S. 2011, Section 227, as last

16 amended by Section 1, Chapter 358, O.S.L. 2016 (68 O.S. Supp. 2020,

17 Section 227), is amended to read as follows:

18   Section 227. ~~(a) Any~~ A. Except as provided in subsection B of

19 Section 1361.2 of this title, any taxpayer who has paid to the State

20 of Oklahoma, through error of fact, or computation~~,~~ or

21 misinterpretation of law, any tax collected by the Oklahoma Tax

22 Commission may, as hereinafter provided, be refunded the amount of

23 such tax so erroneously paid, without interest.

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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~~ Beginning August 26,

10 2016, with respect to the sales tax imposed by Section 1354 of this

11 title and with respect to the use tax imposed by Section 1402 of

12 this 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

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

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

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

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

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

2. To estate tax because the payment of such tax is covered by 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.

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1   SECTION 3. This act shall become effective November 1, 2021.

2 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
   February 2, 2021 - DO PASS

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