

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 601</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>8162</b>
<b>Author:</b>	<b>Rep. Pfeiffer</b>
<b>Date:</b>	<b>4/15/2021</b>
<b>Impact:</b>	<b>Tax Commission</b>

**Minimal Revenue Impact**

**No Measureable Administrative Impact**

**Research Analysis**

The committee substitute for SB 601 requires the Oklahoma Tax Commission to pay interest on tax refunds not paid within 45 days for returns filed electronically and 90 days for all other returns after the return is filed or due, whichever is later. The measure also allows the Commission to provide a later due date for the returns of individuals and certain entities if a state of emergency is declared by the Governor or upon declaration by the Internal Revenue Service to postpone deadlines in disaster areas. Lastly, the measure modifies the period of underpayment for corporations to be 30 days after the due date for returns established under the Internal Revenue Code.

Prepared By: Emily McPherson

**Fiscal Analysis**

Review provided by the Tax Commission:

- 68 O.S. § 217 - Under current law, whenever an income tax refund is not paid to the taxpayer within a certain number of days<sup>1</sup> after the income tax return is filed, the OTC must pay interest on the refund to the taxpayer. The PCS provides that if an income tax refund is not paid to the taxpayer within a certain number of days after the income tax return is filed or due, whichever is later, the OTC must pay interest on the refund.

*Minimal increase to revenue is expected.*

- 68 O.S. § 2368 – The proposed amendment allows the OTC to provide a later due date for returns of individuals, calendar year corporations, fiscal year corporations, partnership returns, estate and trust returns, or estimated tax payments if a state of emergency is declared by the Governor or upon declaration by the Internal Revenue Service to postpone certain tax filing and tax payment deadlines in disaster areas.

*While there is no anticipated reduction in income tax collections, if the OTC opts for a later due date, the timing of income tax collections could be affected.*

- 68 O.S. §2385.13 – This Section relates to the interest for underpayment of estimated taxes. Currently, the period of underpayment for corporate income tax runs from the due date of the required installment to the earlier of the fifteenth day of the third month following the close of the taxable year or the date on which the required installment is paid. This proposal amends the period of underpayment to be consistent with 68 O.S. §2368<sup>2</sup>; both the underpayment due date of individual income tax and the corporate income tax due date are thirty days after the due date for returns established under the Internal Revenue Code.

<sup>1</sup> Forty-five days for electronically filed returns and 90 days for all other returns.

<sup>2</sup> HB 2775 (2016) amended 68 O.S. §2368 by changing the due dates for Oklahoma corporate and partnership income tax returns to 30 days after the due dates for these types of returns under the Internal Revenue Code, effective for tax years beginning on or after January 1, 2016.

Prepared By: Mark Tygret

### **Other Considerations**

None.