

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

<b>Bill No.:</b>	<b>SB 870</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Pfeiffer</b>
<b>Date:</b>	<b>4/12/2021</b>
<b>Impact:</b>	<b>Tax Commission</b>

**No Impact to Revenue**

**Potential Administrative Cost Savings:**  
**\$155,000**

**Research Analysis**

Engrossed SB870 removes certain auditing requirements of the Oklahoma Tax Commission. A requirement that OTC's annual financial statements be delivered to the State Treasurer and the State Auditor and Inspector is deleted, as well as requirement that the State Auditor conduct an audit of the financial statements of OTC each fiscal year. OTC would be subject to an annual operational audit rather than a continuous audit.

Prepared By: Sean Webster

**Fiscal Analysis**

Analysis provided by the Tax Commission:

Engrossed SB 870 proposes to amend 74 O.S. §212 to allow for an annual operational audit of the Oklahoma Tax Commission (OTC) by the State Auditor and Inspector (SAI). This proposal further removes the requirements for the SAI to perform annual financial statement audits of the OTC and for the OTC to furnish office space for SAI auditors.

Currently, the SAI is required to perform an annual financial statement audit of the OTC, and SAI audit costs for FY 21 are \$200,000. The audit of the OTC by the SAI is continuous, and the OTC provides office space to SAI auditors at an estimated cost of approximately \$21,000 annually.

The cost for an operational audit of the OTC by the SAI is unknown; however, potential savings of \$155,000 to the OTC are expected for costs associated with salary and benefits for OTC Business Operations and for office space provided by the OTC to SAI auditors.

No changes in revenue are anticipated as a result of this proposal.

Prepared By: Mark Tygret

**Other Considerations**

None.

