

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE  
FOR

HOUSE BILL NO. 4044

By: McCall

COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; providing procedures for compliance with certain tax laws; authorizing waiver of penalty and interest; specifying tax types with respect to which waiver allowable; imposing limitations and conditions on taxpayer participation; prescribing procedures; providing for administrative rules; restricting procedures based upon status as appointed or elected official; authorizing utilization of procedures notwithstanding statutory provisions; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 216.6 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For the purpose of encouraging the voluntary disclosure and payment of taxes owed to this state, the Oklahoma Tax Commission is hereby authorized and directed to establish a Voluntary Disclosure Initiative for eligible taxes, as provided in this section. A taxpayer shall be entitled to a waiver of penalty, interest and

1 other collection fees due on eligible taxes if the taxpayer  
2 voluntarily files delinquent tax returns and pays the taxes due  
3 during the disclosure initiative. The time in which a voluntary  
4 payment of tax liability may be made or the taxpayer may enter into  
5 a payment program acceptable to the Tax Commission for payment of  
6 the unpaid taxes in full in the manner and time established in a  
7 written payment program agreement between the Tax Commission and the  
8 taxpayer under the Voluntary Disclosure Initiative shall be  
9 applicable with respect to the enumerated tax types in this section  
10 for all periods beginning January 1, 2020, and ending December 31,  
11 2024 and the taxpayer shall be required to make application to the  
12 Tax Commission during the period beginning January 1, 2025, and  
13 ending December 31, 2025.

14 B. Upon payment of the eligible taxes under the Voluntary  
15 Disclosure Initiative established, the Tax Commission shall abate  
16 and not seek to collect any interest, penalties or collection fees  
17 that would otherwise be applicable.

18 C. As used in this section, "eligible taxes" shall include the  
19 following taxes that were due and payable for the tax period or  
20 periods prescribed by subsection A of this section before entering  
21 into an agreement as provided in the initiative:

22 1. Mixed beverage tax levied pursuant to Section 576 of Title  
23 37 of the Oklahoma Statutes;

1        2. Gasoline and diesel tax levied pursuant to Section 500.4 of  
2 Title 68 of the Oklahoma Statutes;

3        3. Gross production and petroleum excise tax levied pursuant to  
4 Sections 1001, 1101 and 1102 of Title 68 of the Oklahoma Statutes;

5        4. Sales tax levied pursuant to Section 1354 of Title 68 of the  
6 Oklahoma Statutes;

7        5. Use tax levied pursuant to Section 1402 of Title 68 of the  
8 Oklahoma Statutes;

9        6. Income tax levied pursuant to Section 2355 of Title 68 of  
10 the Oklahoma Statutes; and

11       7. Withholding tax levied pursuant to Section 2385.2 of Title  
12 68 of the Oklahoma Statutes.

13       D. To be eligible to participate in this initiative, taxpayers  
14 must:

15       1. Not have collected taxes from others, such as sales and use  
16 taxes or payroll taxes, and not reported those taxes; and

17       2. Not have, within the preceding three (3) years, entered into  
18 a voluntary disclosure agreement for the type of tax owed.

19       E. If the Tax Commission agrees with the proposed terms for  
20 payment of the principal amount of tax due and owing, the penalties  
21 and interest otherwise imposed by law upon the principal amount  
22 shall be waived by operation of law and no further action by the Tax  
23 Commission or by the taxpayer shall be required for the waiver of  
24 such penalty and applicable interest.

1 F. The Tax Commission shall limit the period for which  
2 additional taxes may be assessed to three (3) taxable years for  
3 annually filed taxes or thirty-six (36) months for taxes that do not  
4 have an annual filing frequency.

5 G. Taxpayers who meet all of the qualifications specified in  
6 subsection D of this section, except those who have collected taxes  
7 from others, such as sales and use taxes or payroll taxes, and not  
8 reported those taxes, may enter into a modified voluntary disclosure  
9 agreement.

10 H. The provisions of a modified voluntary disclosure agreement  
11 shall be the same as a voluntary disclosure agreement as specified  
12 in subsection E of this section; provided, the waiver of interest  
13 shall not apply except as may be optionally granted at the  
14 discretion of the Tax Commission, and the period for which taxes  
15 must be reported and remitted or assessed is extended beyond the  
16 three-year or thirty-six-month period provided in subsection F of  
17 this section to include all periods in which tax has been collected  
18 but not remitted.

19 I. The waiver of penalty and interest provided herein is fully  
20 effective provided taxpayer continues payment or collection and  
21 remittance of applicable taxes, as required by law, for a period of  
22 one (1) year after the tax period(s) for which taxes were paid  
23 pursuant to this initiative.  
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1 J. The Tax Commission is authorized to expend necessary  
2 available funds, including contracting with third parties, to  
3 publicly advertise, assist in the collection of eligible taxes, and  
4 administer the Voluntary Disclosure Initiative and shall be exempt  
5 from the provisions of Section 85.7 of Title 74 of the Oklahoma  
6 Statutes for the purpose of implementing this section.

7 K. The Tax Commission is authorized to promulgate rules  
8 detailing the terms and other conditions of this program.

9 L. The provisions of this section shall not be applicable to  
10 any person appointed to or elected to a public office.

11 M. A taxpayer may utilize the procedures described by this  
12 section notwithstanding the provisions of Section 216.5 of Title 68  
13 of the Oklahoma Statutes.

14 SECTION 2. This act shall become effective November 1, 2024.

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