

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 23, 2023

BILL NUMBER: SB 602

STATUS AND DATE OF BILL: Introduced 1/17/23

AUTHORS: House: n/a Senate: Rader

TAX TYPE (S): Other **SUBJECT:** Administrative

PROPOSAL: Amendatory

SB 602 proposes to amend 68 O.S. §§ 2373 and 2375 to clarify the time allowed for a taxpayer to file a refund claim with the Oklahoma Tax Commission.

EFFECTIVE DATE: November 1, 2023

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 24: None.

FY 25: None.

Feb. 5, 2023

DATE

Rick Miller

DIVISION DIRECTOR

bf

2/6/2023

DATE

Huan Gong

HUAN GONG, ECONOMIST

2/7/2023

DATE

Joseph P Gappa

FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT – SB 602 [Introduced] Prepared 1/23/23

SB 602 proposes to amend 68 O.S. §§ 2373 and 2375 to clarify the time allowed for a taxpayer to file a refund claim with the Oklahoma Tax Commission (OTC).

Under the proposal, any claim for refund of an overpayment of tax must be made within three years from the due date of the return, including the period of any extension of time for filing a return, or two years from the payment of the tax liability, whichever period is later, or, if no return was filed by the taxpayer, within two years from the time the tax was paid.

Unless the amount of taxable income for any year of a taxpayer under the Internal Revenue Code is changed or corrected from the amounts included in the federal return of a taxpayer for such year and such change or correction affects the Oklahoma taxable income of the taxpayer for such year, no refund will be allowed or made after the proposed expiration of the period of limitation for filing a refund claim. If a refund claim is filed during the proposed period, the amount of refund, if any, will not exceed the amount of tax paid within the period, immediately preceding the filing of the claim, equal to three years plus the period of any extension of time for filing a return. If the claim was not filed within the three-year period, the refund will not exceed the portion of the tax paid during the two years immediately preceding the filing of the claim.

On the original due date of the return, not including any extension, a taxpayer will remit to the OTC the amount of tax due. Failure to pay such tax on or before the date the return is due, not including any extensions, will cause the tax to become delinquent.

The proposal is not expected to affect income tax revenue.