

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 2962

By: West (Rick)

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 2373, as amended by Section 9, Chapter 113, O.S.L. 2023 (68 O.S. Supp. 2025, Section 2373), which relates to claims for refund; removing time limitation when a claim for refund due to overpayment must be made; removing amount of refund limitation; providing that a time limitation does not apply to claims filed by members of federally recognized Indian tribes; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2373, as amended by Section 9, Chapter 113, O.S.L. 2023 (68 O.S. Supp. 2025, Section 2373), is amended to read as follows:

Section 2373. A. Any claim for refund filed pursuant to this section must be made on a return, in the form prescribed by the Oklahoma Tax Commission.

1 B. Any claim for refund of an overpayment of any tax imposed by  
2 Section 2355 of this title ~~must~~ may be made ~~within three (3) years~~  
3 ~~from the due date of the return, including the period of any~~  
4 ~~extension of time for filing a return, or two (2) years from the~~  
5 ~~payment of the tax liability, whichever of such periods expires~~  
6 ~~later, or if no return was filed by the taxpayer, within two (2)~~  
7 ~~years from the time the tax was paid~~ without limitation as to time  
8 from the due date of the return.

9 C. Except as provided in subsection H of Section 2375 of this  
10 title, no refund shall be allowed or made ~~after the expiration of~~  
11 ~~the period of limitation prescribed in subsection B of this section~~  
12 ~~for the filing of a claim for refund,~~ unless a claim for refund is  
13 filed by the taxpayer ~~within such period. If a claim for refund is~~  
14 ~~filed during the period prescribed in subsection B of this section,~~  
15 ~~the amount of the refund, if any, shall not exceed the amount of tax~~  
16 ~~paid within the period, immediately preceding the filing of the~~  
17 ~~claim, equal to three (3) years plus the period of any extension of~~  
18 ~~time for filing a return. If the claim was not filed within the~~  
19 ~~three (3) year period prescribed in subsection B of this section,~~  
20 ~~the refund shall not exceed the portion of the tax paid during the~~  
21 ~~two (2) years immediately preceding the filing of the claim.~~

22 D. If, upon any revision or adjustment, including overpayment  
23 or illegal payment on account of income derived from tax-exempt  
24 Indian land, any refund is found to be due any taxpayer, it shall be

1 paid out of the "Income Tax Withholding Refund Account", created by  
2 Section 2385.16 of this title, in the same manner as refunds are  
3 paid pursuant to such section.

4 E. ~~The three year limitation set forth in~~ provisions of  
5 subsection C of this section shall ~~not~~ apply to the amount of  
6 refunds payable upon claims filed by members of federally recognized  
7 Indian tribes or the United States on behalf of its Indian wards or  
8 former Indian wards, to recover taxes illegally collected from tax-  
9 exempt lands. In the case of any refund to a member of a federally  
10 recognized Indian tribe or to the United States on behalf of its  
11 Indian wards or former Indian wards, to recover taxes illegally  
12 collected on bonus payments from oil and gas leases located on tax-  
13 exempt Indian lands pursuant to this section, the Tax Commission  
14 shall pay interest on all refunds issued after January 1, 1996, at  
15 the rate of six percent (6%) per annum from the date of payment by  
16 the taxpayer to the date of the refund.

17 F. In cases that the Tax Commission and the taxpayer have  
18 signed a consent, as provided by law, extending the period during  
19 which the tax may be assessed, the period during which the taxpayer  
20 may file a claim for refund or during which an allowance for a  
21 refund may be made shall be automatically extended to the final date  
22 fixed by such consent plus thirty (30) days.

1       G. The Oklahoma Tax Commission may authorize the use of direct  
2 deposit in lieu of refund checks for electronically filed income tax  
3 returns.

4       SECTION 2. This act shall become effective November 1, 2026.  
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