

OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-THIRD OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: May 23, 2011

BILL NUMBER: HB 1231 STATUS AND DATE OF BILL: Enrolled Bill 05/19/2011

AUTHORS: House Ownbey Senate Mazzei and Ivester

TAX TYPE (S): Various SUBJECT: Administrative

PROPOSAL: Amendatory

Section 1 amends Section 228.1 of Title 68 providing when current collections from the same source are insufficient to pay refunds, available cash funds from the unclassified taxes account may be used.

Section 2 amends Section 238.2 of Title 68 providing that upon receipt by a state agency of a notification relating to an employee¹ who has failed to come into compliance with state income tax laws and the notification is the employee's third such notification as a state employee then that employee must be terminated by the state agency regardless of which agency the employee was employed by at the time of the first and second notices of noncompliance. The amendment also strikes the condition that termination upon third notification of noncompliance must relate to the same tax year or years.

Section 3 removes from Section 255 of Title 68 the condition that the no file sales tax returns must be for consecutive periods before referral to debt collection agency and provides authorization for the Tax Commission to refer to collection agencies withholding tax accounts with two or more delinquent no file returns conditioned upon prior notification to the taxpayer.

EFFECTIVE DATE: August 26, 2011²

REVENUE IMPACT:

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

FY 12: None

FY 13: None

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 12: None

May 24, 2011
DATE

Rick Miller
DIVISION DIRECTOR

cjc

5-24-2011
DATE

Reece Womack
REECE WOMACK, ECONOMIST

5/24/11
DATE

[Signature]
FOR THE COMMISSION

¹ For purposes of Section 238.2 of Title 68 employee or state employee means an appointed officer or employee of a state agency; provided, the term employee or state employee shall not include an elected official or an employee of a local governmental entity.

² Assumes the published sine die date of May 27, 2011.

ATTACHMENT TO FISCAL IMPACT HB1231 [Enrolled] Prepared May 23, 2011.

Section 1 amends to Section 228.1 of Title 68 which provides that tax refund claims are to be paid from collections of the same tax type as those claimed. The amendment addresses the circumstances when the Tax Commission must pay refund claims for taxes e.g., estate and franchise, that it no longer collects and provides that when current collections from the same source are insufficient to pay refunds, available cash funds from the unclassified taxes account may be used.

Section 2 amends Section 238.2 of Title 68. Under current provisions when a state agency³ receives a third notification regarding one of its employees who has failed to come into compliance with state income tax laws for the same tax year or years, the employee must be terminated by that state agency. The amendment closes the loophole for noncompliant state employees who continually change their employment from one state agency to another and as a result escape the ramifications of Section 238.2. The amendment further strikes the requirement that the “third notification” must relate to noncompliance for the same tax year or years addressing the habitual state employee who upon notice of noncompliance comes into compliance only for the tax years at issue.

Section 3 amends Section 255 of Title 68 which in accordance with the passage of HB 2359 [2010] provides for referral to collection agencies of sales tax accounts with two or more consecutive delinquent sales tax returns prior to the establishment of the tax liability, but only after the Commission has notified the taxpayer. The proposed amendment removes the contingency that the no file sales tax returns must be for consecutive periods and provides authorization for the Tax Commission to refer to collection agencies withholding tax accounts with two or more delinquent no file returns conditioned upon prior notification to the taxpayer.

There is no revenue impact associated with the provisions of this measure.

³ For purposes of Section 238.2 of Title 68 state agency is defined to mean “any office, department, board, commission or institution of the executive, legislative or judicial branch of state government.”