

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 8, 2012

BILL NUMBER: HB 2576 STATUS AND DATE OF BILL: Engrossed 03/05/2012

AUTHORS: House Ownbey Senate Mazzei

TAX TYPE (S): Cigarette, Tobacco, Withholding, Alcohol & Telephone Surcharge

SUBJECT: Administrative

PROPOSAL: Amendatory & New Law

Sections 1-3 & 6-11

Amend various provisions of the Oklahoma tax codes by changing the due dates for certain tax/informational reporting, tax remittances, and imposition of late payment penalties.*

Sections 4 & 5

Grant the Tax Commission specific authority to request the District Court to enter an immediate temporary restraining order to those operating without a sales tax permit. Adds statutory authorization to make it unlawful to willfully and knowingly sell, purchase, install, transfer, or possess any automated sales suppression device or "zapper" software program.*

*See attachment for detailed descriptions.

EFFECTIVE DATE: July 1, 2012-Emergency

REVENUE IMPACT:

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

FY 13: Sections 1-3 & 6-11: Minimal
Sections 4 & 5: Unknown at this time
FY 14: Sections 1-3 & 6-11: Minimal
Sections 4 & 5: Unknown at this time

ADMINISTRATIVE IMPACT:

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

FY 13: None

Mar 9, 2012
DATE

Rick Miller
DIVISION DIRECTOR

jpg & cjc

3-9-2012
DATE

Reece Womack
REECE WOMACK, ECONOMIST

3/15/12
DATE

Dawn Cash
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT– HB 2576–[Engrossed]–Prepared March 8, 2012

Section 1

Amends Section 163.5 of Title 37 to change the due date for beverage tax from the 10th to the 20th day of the month for the preceding calendar month.

Section 2

Amends Section 553 of Title 37 to change the due date for alcoholic beverage tax from the 10th to the 20th day of the month immediately succeeding the month the alcoholic beverage tax was incurred.

Section 3

Amends Section 2418 of Title 63 to change the due date for the telephone surcharges from 15 to 20 days following the end of each quarter.

Section 4

Amends 68 O.S. 2011, Section 212 to grant the Tax Commission specific authority to request the District Court to enter an immediate restraining order to those operating without a sales tax permit. Currently, the specific authority for an immediate temporary restraining order without a hearing in District Court is limited to those where the Tax Commission has canceled a sales tax permit.

Section 5

Adds statutory authorization to make it unlawful to willfully and knowingly sell, purchase, install, transfer, or possess any automated sales suppression device or “zapper” software program. “Zapper” software is stored on a portable USB device that can be linked to the cash register system and the software can systematically modify the machine’s records to reduce the value of the day’s sales. The software only works with cash transactions, especially in businesses such as restaurants and convenience stores. Included in the penalty portion of the bill, among others, would be an administrative fine along with forfeiture of sales tax permit for possession of the device.

Section 6

Amends Section 317.5 of Title 68 to change the due date for cigarette tax reports required of licensed cigarette wholesalers from the 10th to the 20th day of the month for the previous calendar month.

Section 7

Amends the due date for the report required of wholesalers of tobacco products pursuant to Section 413 of Title 68 from the 15th to the 20th of the month for the previous month.

Section 8

Amends Section 2385.3 of Title 68 reducing the return filing requirements for withholding tax remitters by requiring all remitters to file withholding tax reports quarterly. Due date for reports

would be the 20th of the month following each calendar quarter. No change is made to the current statutory payment frequencies. Currently withholding tax remitters file withholding tax reports monthly or quarterly depending on the amounts withheld.

Section 9

Amends Sections 2385.6 of Title 68 to change the date the late payment penalty is imposed for wage withholding providing that the penalty is imposed when taxpayer fails to pay tax when due and such failure is not corrected within 15 days after the tax becomes delinquent. Currently the penalty is imposed when such failure is not corrected on or before the last day of the month when the tax is due.

Section 10

Amends Section 2385.28 of Title 68 to change the date the late payment penalty is imposed for royalty withholding providing that the penalty is imposed when taxpayer fails to pay tax when due and such failure is not corrected within 15 days after the tax becomes delinquent. Currently the penalty is imposed when such failure is not corrected on or before the last day of the month when the tax is due.

Section 11

Amends Section 2385.31 of Title 68 to change the date the late payment penalty is imposed for pass-through withholding providing that the penalty is imposed when taxpayer fails to pay tax when due and such failure is not corrected within 15 days after the tax becomes delinquent. Currently the penalty is imposed when such failure is not corrected on or before the last day of the month when the tax is due.

Estimated Revenue Impact for Sections 1-3 & 6-11

To facilitate taxpayer compliance and the collection and enforcement of taxes administered by the Tax Commission the amendments outlined in Sections 1-3 & 6-11 are made in an effort to make the dates for tax/informational reporting, tax remittances, and imposition of late payment penalties as uniform as possible. The proposed amendments do not have any affect on the amount of tax revenues collected by the Tax Commission and only has a minimal impact on the interest earned on these collections.