

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: May 3, 2021

BILL NUMBER: SB 601 STATUS AND DATE OF BILL: Enrolled 4/29/21

AUTHORS: House Pfeiffer Senate Rader

TAX TYPE (S): Other SUBJECT: Administrative

PROPOSAL: Amendatory

Enrolled SB 601 proposes to amend:

- 68 O.S. §217 to amend the period of time interest will be paid by the Oklahoma Tax Commission (OTC) if the income tax refund is not paid in a timely manner.
- 68 O.S. § 2368 to allow the OTC to provide a later due date for certain returns and payments if a state of emergency is declared by the Governor or upon declaration by the Internal Revenue Service to postpone certain tax filing and tax payment deadlines in disaster areas.
- 68 O.S. §2385.13 to amend the period of underpayment for corporate income tax returns to be consistent with 68 O.S. §2368.

EFFECTIVE DATE: Sections 1 and 2: Emergency
Section 3: November 1, 2021

REVENUE IMPACT:

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

FY 22: Minimal increase to revenue is expected for interest paid on income tax refunds.

May 3, 2021
DATE

Rick Miller
DIVISION DIRECTOR

bdf

5/3/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

5/5/21
DATE

[Signature]
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 601 [Enrolled] Prepared 5/3/2021

Enrolled SB 601 proposes to amend:

- 68 O.S. § 217 - Under current law, whenever an income tax refund is not paid to the taxpayer within a certain number of days¹ after the income tax return is filed, the OTC must pay interest on the refund to the taxpayer. The proposal provides that if an income tax refund is not paid to the taxpayer within a certain number of days after the income tax return is filed or due, whichever is later, the OTC must pay interest on the refund.

Minimal increase to revenue is expected.

- 68 O.S. § 2368 – The proposed amendment allows the OTC to provide a later due date for returns of individuals, calendar year corporations, fiscal year corporations, partnership returns, estate and trust returns, or estimated tax payments if a state of emergency is declared by the Governor or upon declaration by the Internal Revenue Service to postpone certain tax filing and tax payment deadlines in disaster areas.

While there is no anticipated reduction in income tax collections, if the OTC opts for a later due date, the timing of income tax collections could be affected.

- 68 O.S. §2385.13 – This Section relates to the interest for underpayment of estimated taxes. Currently, the period of underpayment for corporate income tax runs from the due date of the required installment to the earlier of the fifteenth day of the third month following the close of the taxable year or the date on which the required installment is paid. This proposal amends the period of underpayment to be consistent with 68 O.S. §2368²; both the underpayment due date of individual income tax and the corporate income tax due date are thirty days after the due date for returns established under the Internal Revenue Code.

¹ Forty-five days for electronically filed returns and 90 days for all other returns.

² HB 2775 (2016) amended 68 O.S. §2368 by changing the due dates for Oklahoma corporate and partnership income tax returns to 30 days after the due dates for these types of returns under the Internal Revenue Code, effective for tax years beginning on or after January 1, 2016.