An Act

ENROLLED HOUSE
BILL NO. 2235

By: Sears and Casey of the House

and

Jolley and Treat of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 264, which relates to contracts and information; directing the Tax Commission to enter into certain contracts and make certain expenditures to identify fraud; authorizing the release of certain information; providing for confidentiality; and establishing a misdemeanor for certain violations.

SUBJECT: Tax Commission contracts

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 264, is amended to read as follows:

Section 264. A. Notwithstanding the provisions of Section 205 of this title and Section 85.7 of Title 74 of the Oklahoma Statutes, the Oklahoma Tax Commission is authorized to enter into a contract with and release taxpayer information to entities deemed to be qualified by the Tax Commission to acquire or utilize their technology systems or information to detect ~~non-registered~~ nonregistered taxpayers, ~~non-filers~~ nonfilers and ~~under-reporting~~ underreporting taxpayers. Functions and duties to be performed by the contracting entity may include registration, processing, and collection functions and other functions deemed necessary by the Tax Commission.

B. Compensation shall be based on a percentage of the additional tax revenues attributable to the implementation and use of the technology systems or information. The contract may provide for additional fixed fees for services performed under the contract to be paid from monies appropriated by the Legislature or from the additional tax revenues.

C. The taxpayer information released to the contracting party shall be considered confidential and privileged and neither the contracting party nor its employees~~,~~ shall disclose any information obtained from the records or files. A violation of any of the provisions of this section shall constitute a misdemeanor punishable in the same manner and to the same extent as a violation of any of the ~~provision~~ provisions of Section 205 of this title.

D. The Tax Commission shall pay from the taxes collected and attributable to the utilization of the acquired technology systems the amount of fees the contracting party is entitled for services performed pursuant to the contract.

E. The Tax Commission shall enter into a contract with entities deemed to be qualified by the Tax Commission to acquire or utilize their technology systems or information and services to authenticate income tax returns and identify fraudulent refund claims. The Tax Commission is authorized to expend necessary available monies, including monies from the fund created pursuant to Section 265 of this title, to acquire such technology and services and shall be exempt from the provisions of Section 85.7 of Title 74 of the Oklahoma Statutes for the purpose of implementing this section.

F. Notwithstanding the provisions of Section 205 of this title, the Tax Commission may release taxpayer information as necessary pursuant to a contract entered into pursuant to the provisions of paragraph E of this section. The taxpayer information released to the contracting party shall be considered confidential and privileged, and neither the contracting party nor its employees shall disclose any information obtained from the records or files. A violation of any of the provisions of this section shall constitute a misdemeanor punishable in the same manner and to the same extent as a violation of any of the provisions of Section 205 of this title.

Passed the House of Representatives the 27th day of April, 2015.

Presiding Officer of the House
of Representatives

Passed the Senate the 4th day of May, 2015.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 5th
day of May, 2014, at 4:11 o'clock P M.
By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 11th
day of May, 2015, at 2:08 o'clock P M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 11th
day of May, 2015, at 5:22 o'clock P. M.
By: Chris Benge