An Act

ENROLLED SENATE
BILL NO. 1579

By: Jolley, Treat and Mazzei of the Senate

and

Sears and Casey of the House

An Act relating to tax administration; directing Oklahoma Tax Commission to enhance agency enforcement efforts related to sales, use and income tax; specifying types of enforcement efforts; amending 68 O.S. 2011, Section 1002, which relates to gross production tax procedures; directing Oklahoma Tax Commission to enhance agency enforcement efforts related to gross production tax; specifying types of enforcement efforts; and providing for noncodification.

SUBJECT: Tax administration

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The Oklahoma Tax Commission is hereby directed to enhance agency efforts to discover and reduce fraud and abuse of sales and use tax exemptions provided pursuant to the Sales and Use Tax Codes and the nonfiling and underreporting of sales and use taxes due and owing. Such efforts shall include enhanced sales and use tax auditing with technology systems designed to identify underreporting of sales and use taxes and the electronic reporting of information of exempt sales by vendors.

SECTION 2. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The Oklahoma Tax Commission is hereby directed to increase its audit staff to conduct audits of individual, corporate and partnership income tax returns. The Tax Commission may utilize its increased staff to audit and issue proposed assessments against nonfiling and underreporting taxpayers detected through the use of enhanced technology.

SECTION 3. AMENDATORY 68 O.S. 2011, Section 1002 is amended to read as follows:

Section 1002. A. If any person shall fail to make the report of the gross production of any mine or oil or gas well, upon which a gross production tax is levied, within the time prescribed by law for such report it shall be the duty of the Tax Commission to examine the books, records and files of such person to ascertain the amount and value of such production and to compute the tax thereon.

B. The Oklahoma Tax Commission is hereby directed to enhance agency efforts to ensure the proper reporting and collection of gross production taxes. Such efforts may include the use of enhanced technology to ensure that all production is accurately reported and the auditing of claims for refunds or rebates to verify the accuracy of the claims filed.

Passed the Senate the 16th day of May, 2016.

Eddie Fields
Presiding Officer of the Senate

Passed the House of Representatives the 19th day of May, 2016.

Lee R. Denney
Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 20th
day of May, 20 16, at 11:18 o'clock A M.
By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 24th
day of May, 20 16, at 1:09 o'clock P M.

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 24th
day of May, 20 16, at 2:29 o'clock P. M.
By: Chris Benge