

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 2780

By: Pfeiffer

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5
6 AS INTRODUCED

7 An Act relating to state revenue administration;
8 amending 68 O.S. 2011, Section 227, as last amended
9 by Section 1, Chapter 358, O.S.L. 2016 (68 O.S. Supp.
10 2020, Section 227), which relates to claims for
11 refunds; providing specified exception to
12 authorization for refund of taxes paid erroneously;
13 amending 68 O.S. 2011, Section 253, as amended by
14 Section 1, Chapter 273, O.S.L. 2014 (68 O.S. Supp.
15 2020, Section 253), which relates to liability for
16 payment of taxes; adding unpaid mixed beverage gross
17 receipts tax to those taxes for which certain
18 individuals may be personally liable; authorizing
19 collection contracts with respect to certain excise
20 tax; amending 68 O.S. 2011, Section 254, which
21 relates to hearings before the Oklahoma Tax
22 Commission; prescribing procedures related to
23 garnishment; defining term; providing for liability
24 based upon willful actions; providing for bank levy;
prescribing procedures; authorizing forms and rules;
amending 68 O.S. 2011, Section 255, which relates to
debt collection for unpaid taxes; modifying time
period; amending 68 O.S. 2011, Section 1361.2, which
relates to procedure for claiming specified sales tax
exemption for certain disabled veterans; specifying
conditions under which certain refund may be claimed
and establishing related requirement; updating
statutory language; amending 68 O.S. 2011, Section
1501, which relates to definitions; modifying
definition to exclude certain devices; amending
Sections 5, 6 and 7, Chapter 260, O.S.L. 2018 (68
O.S. Supp. 2020, Sections 2947.1, 2947.2 and 2947.3),
which relate to the County Government Education-
Technical Revolving Fund; authorizing direct
apportionment of revenue to specified entities by
changing nature of specified fund; modifying start

1 date for certain apportionments; conforming
2 references; eliminating requirement for specified
3 reserve account; updating reference; requiring
4 Oklahoma Tax Commission to distribute certain revenue
5 under specified circumstances; amending 68 O.S. 2011,
6 Section 3204, as amended by Section 4, Chapter 260,
7 O.S.L. 2018 (68 O.S. Supp. 2020, Section 3204), which
8 relates to documentary stamp tax; conforming
9 language; modifying start date for certain
10 apportionment; specifying statutory authority;
11 providing for transfer of specified funds; amending
12 68 O.S. 2011, Section 3624, as last amended by
13 Section 3, Chapter 313, O.S.L. 2019 (68 O.S. Supp.
14 2020, Section 3624), which relates to the Oklahoma
15 Film Enhancement Rebate Program; clarifying certain
16 payments; limiting liability for payments to balance
17 of specified fund; updating statutory reference;
18 providing for codification; and providing an
19 effective date.

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

21 SECTION 1. AMENDATORY 68 O.S. 2011, Section 227, as last
22 amended by Section 1, Chapter 358, O.S.L. 2016 (68 O.S. Supp. 2020,
23 Section 227), is amended to read as follows:

24 Section 227. ~~(a)~~ Any A. Except as provided in subsection B of
Section 1361.2 of this title, any taxpayer who has paid to the State
of Oklahoma, through error of fact, or computation, or
misinterpretation of law, any tax collected by the Tax Commission
may, as hereinafter provided, be refunded the amount of such tax so
erroneously paid, without interest.

~~(b)~~ ~~(1)~~ B. 1. Except as otherwise provided by ~~division (2)~~
paragraph 2 of this subsection, any taxpayer who has so paid any

1 such tax may, within three (3) years from the date of payment
2 thereof file with the Tax Commission a verified claim for refund of
3 such tax so erroneously paid. The Tax Commission may accept an
4 amended withholding tax or other report or return as a verified
5 claim for refund if the amended report or return establishes a
6 liability less than the original report or return previously filed.

7 ~~(2)~~ 2. Upon ~~the effective date of this act~~ August 26, 2016,
8 with respect to the sales tax imposed by Section 1354 of this title
9 and with respect to the use tax imposed by Section 1402 of this
10 title, any taxpayer who has so paid such sales or use tax may,
11 within two (2) years from the date of payment thereof file with the
12 Tax Commission a verified claim for refund of such tax so
13 erroneously paid. The Tax Commission may accept an amended sales or
14 use tax report or return as a verified claim for refund if the
15 amended report or return establishes a liability less than the
16 original report or return previously filed.

17 ~~(c)~~ Said C. The claim so filed with the Tax Commission, except
18 for an amended report or return, shall specify the name of the
19 taxpayer, the time when and period for which ~~said~~ the tax was paid,
20 the nature and kind of tax so paid, the amount of the tax which ~~said~~
21 the taxpayer claimed was erroneously paid, the grounds upon which a
22 refund is sought, and such other information or data relative to
23 such payment as may be necessary to an adjustment thereof by the Tax
24 Commission. It shall be the duty of the Commission to determine

1 what amount of refund, if any, is due as soon as practicable after
2 such claim has been filed and advise the taxpayer about the
3 correctness of his claim and the claim for refund shall be approved
4 or denied by written notice to the taxpayer.

5 ~~(d)~~ D. If the claim for refund is denied, the taxpayer may file
6 a demand for hearing with the Commission. The demand for hearing
7 must be filed on or before the sixtieth day after the date the
8 notice of denial was mailed. If the taxpayer fails to file a demand
9 for hearing, the claim for refund shall be barred.

10 ~~(e)~~ E. Upon the taxpayer's timely filing of a demand for
11 hearing, the Commission shall set a date for hearing upon the claim
12 for refund which date shall not be later than sixty (60) days from
13 the date the demand for hearing was mailed. The taxpayer shall be
14 notified of the time and place of the hearing. The hearing may be
15 held after the sixty-day period provided by this subsection upon
16 agreement of the taxpayer.

17 ~~(f)~~ F. The provisions of this section shall not apply: ~~(1) to~~

18 1. To refunds of income tax erroneously paid, refunds of which
19 tax shall be payable out of the income tax adjustment fund as
20 provided by law; ~~(2) to~~

21 2. To estate tax because the payment of such tax is covered by
22 an order of the Tax Commission and the estate and interested parties
23 are given notice that Commission's position and computation of the
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1 tax will become final unless they protest and resist the payment
2 thereof as provided by statute; nor, ~~(3) in~~

3 3. In any case where the tax was paid after an assessment
4 thereof was made by the Tax Commission which assessment became final
5 under the law.

6 SECTION 2. AMENDATORY 68 O.S. 2011, Section 253, as
7 amended by Section 1, Chapter 273, O.S.L. 2014 (68 O.S. Supp. 2020,
8 Section 253), is amended to read as follows:

9 Section 253. A. When the Oklahoma Tax Commission files a
10 proposed assessment against corporations, limited liability
11 companies or other legal entities for unpaid sales taxes, mixed
12 beverage gross receipts tax collected pursuant to Section 5-105 of
13 Title 37A of the Oklahoma Statutes, withheld income taxes or motor
14 fuel taxes collected pursuant to Article 5, 6 or 7 of this title,
15 the Commission shall file such proposed assessments against the
16 individuals personally liable for the tax.

17 B. Any individual shall be liable for the payment of sales tax,
18 mixed beverage gross receipts tax, withheld income tax or motor fuel
19 tax if, during the period of time for which the assessment was made,
20 the individual was responsible for withholding or collection and
21 remittance of taxes or had direct control, supervision or
22 responsibility for filing returns and making payments of the tax due
23 the State of Oklahoma.

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1 C. Personal liability for sales tax, mixed beverage gross
2 receipts tax, withheld income tax or motor fuel tax shall be
3 determined in accordance with the standards for determining
4 liability for payment of federal withholding tax pursuant to the
5 Internal Revenue Code of 1986, as amended, or regulations
6 promulgated pursuant to such section.

7 SECTION 3. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 255.1A of Title 68, unless there
9 is created a duplication in numbering, reads as follows:

10 In order to facilitate and expedite the collection of any state
11 tax as authorized to be assessed and collected by any state agency
12 the Oklahoma Tax Commission may enter into a contract with any state
13 agency to assist in the collection of any state tax, penalties,
14 interest or fee in which that agency has the authority to collect
15 and enforce. For providing such collection assistance, the Tax
16 Commission shall charge the state agency a reasonable fee. All
17 funds retained by the Tax Commission for collection services shall
18 be deposited in the Tax Commission Reimbursement Fund in the State
19 Treasury. The Oklahoma Tax Commission and the Oklahoma Employment
20 Security Commission may enter into a contract whereby the Tax
21 Commission shall have authority to collect and enforce the
22 unemployment tax, penalties and interest thereon. Such collection
23 and enforcement authority shall apply to any unemployment tax,
24 penalties, interest or fees where a determination that an employer

1 owes delinquent contributions, penalties, interest or fees has
2 become final and therefore the Oklahoma Employment Security
3 Commission shall be entitled to proceed by levy to collect any
4 delinquent contribution and to collect any penalty, interest or fees
5 due and owing as a result of the delinquency. The contract shall
6 provide for the collection and enforcement of the unemployment tax,
7 interest, penalties and fees in the same manner as the collection
8 and enforcement of any state tax payable by any taxpayer subject to
9 taxation under any state tax law.

10 SECTION 4. AMENDATORY 68 O.S. 2011, Section 254, is
11 amended to read as follows:

12 Section 254. A. Upon a hearing with notice the Oklahoma Tax
13 Commission shall be entitled to proceed by garnishment to collect
14 any delinquent tax and to collect any penalty or interest due and
15 owing as a result of a tax delinquency. Provided, that upon proper
16 application under the procedures outlined herein, the court may
17 issue an order continuing the garnishment for the collection of
18 delinquent taxes, penalties or interest until the total amount of
19 such delinquent taxes, penalties or interest have been collected.

20 B. The Oklahoma Tax Commission may garnish the accrued earnings
21 of a delinquent taxpayer employee by sending notice to the
22 taxpayer's employer. For the purpose of this section, "earnings"
23 means any form of payment to an individual including, but not
24 limited to, salary, wages, commission, or other compensation, but

1 does not include reimbursements for travel expenses for state
2 employees. Such notice may be served by mail or by delivery by a
3 field agent of the Tax Commission to the taxpayer's employer along
4 with a copy to the delinquent taxpayer. Upon receipt of such notice
5 of delinquency, the employer shall withhold from compensation due,
6 or to become due to the employee, the total amount shown by the
7 notice. The Tax Commission may direct the employer to withhold part
8 of the amount due, not to exceed twenty-five percent (25%) of
9 earnings per pay period, until the total amount as shown by the
10 notice, plus interest and penalty, has been withheld and remitted to
11 the Tax Commission. The employer's response and calculation of
12 amounts withheld shall be on a form prescribed by the Tax
13 Commission.

14 C. Within seven (7) days after the end of each pay period, or
15 if the delinquent taxpayer does not have regular pay periods, within
16 thirty (30) days from the date of the notice, the employer shall
17 withhold amounts due or provide an explanation to the Tax Commission
18 why amounts due will not be withheld and remitted to the Tax
19 Commission. In any case in which the employee ceases to be employed
20 by the employer before the full amount set forth in the notice of
21 delinquency, plus delinquent penalty and interest, has been withheld
22 by the employer, the employer shall immediately notify the Tax
23 Commission in writing the date the employee resigned or was
24 terminated. Should any employer, after notice, willfully fail to

1 withhold in accordance with the notice and this section, such
2 employer may be liable for the total amount set forth in the notice.
3 The employer may not terminate delinquent taxpayer employee based
4 upon the notice of administrative wage garnishment.

5 D. The Oklahoma Tax Commission may levy upon the property of a
6 delinquent taxpayer held by a financial institution by sending
7 notice to the financial institution. "Financial institution" means
8 any office or branch of a bank, savings bank, savings association,
9 building and loan association, savings and loan association, or
10 credit union located in the State of Oklahoma. Such notice may be
11 served by mail or by delivery by a field agent of the Tax Commission
12 to the financial institution. Upon receipt of the notice under this
13 section, the financial institution shall immediately encumber funds
14 in any account in which the taxpayer has an interest and remit to
15 the Tax Commission the funds held by the financial institution, not
16 in excess of the amount provided in the notice, and also provide
17 notice to taxpayer of the bank levy and the amount of the encumbered
18 funds. The financial institution's response to the levy request
19 shall be provided on forms prescribed by the Tax Commission.

20 E. An administrative wage garnishment or bank levy may be
21 issued after ninety (90) days in which the tax has become
22 delinquent, notice has been sent to taxpayer of the delinquency and
23 possible remedies to resolve the delinquency has been provided to
24 taxpayer, and a tax warrant has been issued and filed pursuant to

1 Section 231 of this title. The taxpayer shall have ten (10) days
2 after the issuance of the notice to the employer or upon notice from
3 the financial institution to provide any additional information to
4 the Tax Commission for the garnishment of wages or bank levy to be
5 withdrawn or released by the Tax Commission. The Tax Commission may
6 withdraw or adjust the garnishment for wages or bank levy upon proof
7 to the satisfaction of the Tax Commission that the delinquent tax,
8 interest and penalty referred to in the notice has been paid or the
9 taxpayer can show the funds or wages subject to garnishment or levy
10 are exempt pursuant to state or federal law.

11 F. The Tax Commission shall prescribe or approve forms and
12 promulgate rules and regulations for implementing the provisions of
13 this section.

14 SECTION 5. AMENDATORY 68 O.S. 2011, Section 255, is
15 amended to read as follows:

16 Section 255. A. In order to facilitate and expedite the
17 collection of taxes more than ninety (90) days overdue from any
18 taxpayer, the Oklahoma Tax Commission may enter into a contract with
19 a debt collection agency doing business in the State of Oklahoma or
20 in any other state for the collection of such delinquent taxes in
21 addition to all other taxes accrued or accruing, including penalties
22 and interest thereon, from the taxpayer. The contract shall only
23 authorize the debt collection agency to collect tax liabilities
24 which are already established and the Tax Commission shall not refer

1 accounts to the debt collection agency unless the Tax Commission has
2 notified the taxpayer, by first class mail, of the liability and has
3 made additional efforts to collect the debt. Provided, if a sales
4 tax permit holder fails to file two or more sales tax returns, as
5 required under Section 1365 of this title, or a taxpayer required to
6 remit withholding taxes fails to file two or more withholding tax
7 returns, as required under Section 2385.3 of this title, the Tax
8 Commission may refer the accounts to the debt collection agency
9 prior to the establishment of the tax liability, but only after the
10 Commission has notified the taxpayer as required under this
11 subsection.

12 B. If an account has been referred to a debt collection agency,
13 the Tax Commission shall review all payments posted by the
14 collection agency prior to commencing any further collection
15 activity against the taxpayer. Further, the collection agency shall
16 review all payments posted by the Tax Commission prior to commencing
17 any collection activity. The Tax Commission or the collection
18 agency shall, within ten (10) business days, provide the taxpayer
19 with a written confirmation of all payments received and any balance
20 due. In addition, the contract shall not authorize the debt
21 collection agency to conduct audits or examine the books and records
22 of a taxpayer in any manner. The Tax Commission may also enter into
23 a contract with a person doing business in the State of Oklahoma or
24 in any other state for the purpose of identifying and locating the

1 assets of such delinquent taxpayer. Such contracts authorized by
2 this section shall be subject to the provisions of the Oklahoma
3 Central Purchasing Act.

4 C. In addition to the authority provided in subsection A of
5 this section, the Tax Commission may enter into a contract for the
6 purpose of identifying nonresident businesses and individuals who
7 are required by law to file and pay Oklahoma state taxes and who are
8 presently unknown to the Tax Commission.

9 D. Prior to entering into such a contract with a debt
10 collection agency, the Tax Commission shall require that the debt
11 collection agency file a bond in the amount of One Hundred Thousand
12 Dollars (\$100,000.00). The bond shall be a bond from a surety
13 company chartered or authorized to do business in this state, cash
14 bond, certificates of deposits, certificates of savings or U.S.
15 Treasury bonds, as the Tax Commission may deem necessary to
16 guarantee compliance with the terms of the contract.

17 E. Each contract entered into by the Tax Commission with a debt
18 collection agency, pursuant to the provisions of this section, shall
19 specify that fees for services rendered, reimbursements or other
20 remuneration shall be based on the total amount of delinquent taxes,
21 including accrued penalties and interest, which is actually
22 collected. No costs shall be reimbursed unless authorized in the
23 contract. Each contract entered into between the Tax Commission and
24 a debt collection agency shall provide for the payment of fees for

1 such services, reimbursements or other remuneration not in excess of
2 thirty-five percent (35%) of the total amount of delinquent taxes,
3 penalty and interest actually collected. The debt collection agency
4 contract fee shall be added to the amount of the delinquent taxes,
5 accrued penalties and interest collected from the taxpayer. The
6 total amount of the delinquent tax, accrued penalties and interest,
7 and the debt collection agency contract fee shall be owed and
8 collected from the taxpayer.

9 F. Each contract entered into by the Tax Commission with a
10 person for the purpose of identifying and locating assets of
11 delinquent taxpayers shall specify the amount of money to be paid
12 for the performance of such services. No costs shall be reimbursed
13 unless authorized in the contract.

14 G. All such funds collected by a debt collection agency,
15 including the fees for collection services as provided for in such
16 contract, shall be remitted to the Tax Commission within five (5)
17 days from the date of collection from a taxpayer. The Tax
18 Commission shall pay from such remitted fees the amount of fees to
19 which such debt collecting agency is entitled for services performed
20 pursuant to the provisions of such contract. All assets of such
21 delinquent taxpayers which are identified and located shall be
22 reported to the Tax Commission within ~~five (5)~~ fifteen (15) days
23 from the date of identification and location. Forms to be used for
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1 such remittances and reports shall be prescribed by the Tax
2 Commission.

3 H. A debt collection agency entering into a contract with the
4 Tax Commission or a person entering into a contract with the Tax
5 Commission for asset location purposes pursuant to this section
6 shall agree that it is receiving income from sources within this
7 state or doing business in this state for purposes of the Oklahoma
8 tax laws. Debt collection agency employees and/or their agents
9 shall not disclose confidential tax information except as authorized
10 by Section 205 of this title, subject to the penalties contained
11 therein.

12 SECTION 6. AMENDATORY 68 O.S. 2011, Section 1361.2, is
13 amended to read as follows:

14 Section 1361.2 A. In order to claim the exemption authorized
15 by paragraph 34 of Section 1357 of ~~Title 68 of the Oklahoma Statutes~~
16 this title, the person to whom the sale is made shall be required to
17 furnish the vendor proof of eligibility for the exemption as issued
18 by the Oklahoma Tax Commission. All vendors shall honor the proof
19 of eligibility for sales tax exemption and sales for the benefit of
20 the disabled veteran to a person providing such proof shall be
21 exempt from the tax levied pursuant to the Oklahoma Sales Tax Code.

22 B. A claim for refund of sales taxes erroneously paid may only
23 be made if a vendor refuses to honor the proof of eligibility issued
24 by the Tax Commission for the exemption authorized pursuant to

1 paragraph 34 of Section 1357 of this title and the person eligible
2 for the exemption submits to the Tax Commission a signed
3 notification of the vendor's denial of exemption on a form
4 prescribed by the Commission.

5 SECTION 7. AMENDATORY 68 O.S. 2011, Section 1501, is
6 amended to read as follows:

7 Section 1501. As used in Sections 1501 through 1512 of this
8 title:

9 1. "Person" means any individual, partnership, association,
10 limited liability company or corporation;

11 2. "Music device" means any and all mechanical devices which
12 render, cause to sound, or release music where the same may be heard
13 by one or more public patrons, and each separate loudspeaker,
14 phonograph, juke box, or outlet from which such music emits shall
15 each be construed to be a separate "music device" as herein defined;
16 except in the case where the music emits from more than one speaker
17 transmitting from the same music-producing mechanism, in which case
18 the several outlets or speakers in each place of business shall be
19 collectively considered one such music device;

20 3. "Coin-operated music device" means any such music device
21 which is operated, motivated, released, or played by or upon the
22 payment or insertion of a coin, token or similar object, whether
23 there is one or more boxes or devices in the premises for the
24 reception of such coin, tokens, or similar objects; coin-operated

1 radio or television receiving sets in hotels, motels, or tourist
2 cabins for the use and benefit of the guests and visitors of such
3 hotels, motels, or tourist rooms or cabins shall be included in such
4 definition;

5 4. "Coin-operated amusement device" means any and all
6 nongambling mechanical or electronic machines which, upon the
7 payment or insertion of a coin, token, or similar object, provide
8 music, amusement or entertainment, including, but not limited to,
9 such games as pool, phonographs, video television, shooting
10 galleries, pinball, foosball, bowling, shuffle board, or any other
11 amusement device with or without a replay feature which can be
12 legally shipped interstate according to federal law;

13 5. "Coin-operated vending device" means any and all machines or
14 devices which, upon the payment or insertion of a coin, token or
15 similar object, dispenses tangible personal property, including but
16 not limited to cigarettes, candies, gum, cold drinks, hot drinks,
17 sandwiches, or chips. It shall not mean vending machines or devices
18 used exclusively for the purpose of selling services, such as pay
19 telephone booths, parking meters, gas and electric meters or other
20 distribution of needful service;

21 6. "Coin-operated bulk vending device" means a machine or
22 device which, upon the payment or insertion of a coin, token or
23 similar object dispenses to the purchaser ballpoint pens, combs,
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1 cigarette lighters, prophylactics, filled capsules, peanuts, gum
2 balls, mints, perfume or novelties; and

3 7. "Coin-operated devices" means coin-operated music devices,
4 coin-operated amusement devices, coin-operated vending devices and
5 coin-operated bulk vending devices. "Coin-operated devices" shall
6 not include any device dispensing tangible personal property or
7 providing amusement where payment is made solely through the use of
8 a credit or debit card or other electronic or digital payment
9 process.

10 SECTION 8. AMENDATORY Section 5, Chapter 260, O.S.L.
11 2018 (68 O.S. Supp. 2020, Section 2947.1), is amended to read as
12 follows:

13 Section 2947.1 There is hereby created in the State Treasury a
14 ~~revolving fund~~ an agency special account for the Oklahoma Tax
15 Commission ~~to be designated the "County Government Education-~~
16 ~~Technical Revolving Fund". The fund shall be a continuing fund, not~~
17 ~~subject to fiscal year limitations, and shall consist of all monies~~
18 ~~received by the Oklahoma Tax Commission from the apportionment for~~
19 the collection and distribution of documentary stamp revenues as
20 provided by ~~Section 3204 of Title 68 of the Oklahoma Statutes. All~~
21 ~~monies accruing to the credit of said fund are hereby appropriated~~
22 ~~and may be budgeted and expended by the Oklahoma State University~~
23 ~~Center for Local Government Technology and the Oklahoma Cooperative~~
24 ~~Extension Service County Training Program for the purpose of~~

1 ~~education, training, research, software and computer modernization.~~
2 ~~The fund shall be subject to the oversight of the Commission on~~
3 ~~County Government Personnel Education and Training. Amounts~~
4 ~~deposited in any fiscal year shall be distributed by the Oklahoma~~
5 ~~Tax Commission as provided in Section 6 of this act. Expenditures~~
6 ~~from said fund shall be made upon warrants issued by the State~~
7 ~~Treasurer against claims filed as prescribed by law Sections 2947.2~~
8 ~~and 2947.3 of this title.~~

9 SECTION 9. AMENDATORY Section 6, Chapter 260, O.S.L.
10 2018 (68 O.S. Supp. 2020, Section 2947.2), is amended to read as
11 follows:

12 Section 2947.2 A. For the fiscal year ending ~~June 30, 2020~~
13 June 30, 2022, and for each fiscal year thereafter, ten percent
14 (10%) ~~deposited to the County Government Education-Technical~~
15 ~~Revolving Fund in any fiscal year shall be distributed of the~~
16 revenue collected pursuant to Section 3204 of this title shall be
17 apportioned by the Oklahoma Tax Commission monthly to the Oklahoma
18 Cooperative Extension Service for duties imposed on the Extension
19 Service pursuant to Sections 130.1 through 130.7 and Section 1500 of
20 Title 19 of the Oklahoma Statutes and Section 3006 of ~~Title 68 of~~
21 ~~the Oklahoma Statutes~~ this title.

22 B. For the fiscal year ending ~~June 30, 2020~~ June 30, 2022, and
23 for each fiscal year thereafter, eighty-eight and five-tenths
24 percent (88.5%) ~~deposited to the County Government Education-~~

1 ~~Technical Revolving Fund in any fiscal year shall be distributed of~~
2 the revenue collected pursuant to Section 3204 of this title shall
3 be apportioned by the Oklahoma Tax Commission monthly to the
4 Oklahoma State University Center for Local Government Technology for
5 duties imposed pursuant to Sections 2816 and 2862 of Title 68 of the
6 Oklahoma Statutes related to any training, support, professional
7 development, and additional software necessary for county assessors,
8 treasurers and boards of equalization, and the acquisition and
9 administration of a computer-assisted mass appraisal software system
10 for county governments; provided, the Oklahoma State University
11 Center for Local Government Technology may delay the acquisition of
12 such software until such time as sufficient funds are available.

13 C. After the computer-assisted mass appraisal software
14 acquisition is complete and associated costs are paid, any county
15 which elects not to participate in the Oklahoma State University
16 Center for Local Government Technology's computer-assisted mass
17 appraisal software system may apply to the Center for Local
18 Government Technology for a refund up to ten percent (10%) of such
19 county's ~~deposit to the revolving fund annually~~ annual documentary
20 stamp tax revenue apportionment received by the Center for Local
21 Government Technology; provided, if available funds are insufficient
22 for a ten-percent rebate, the percentage shall be adjusted so that
23 rebates may be paid.

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1 SECTION 10. AMENDATORY Section 7, Chapter 260, O.S.L.
2 2018 (68 O.S. Supp. 2020, Section 2947.3), is amended to read as
3 follows:

4 Section 2947.3 A. ~~Within the County Government Education-~~
5 ~~Technical Revolving Fund there shall be established a reserve~~
6 ~~account. The reserve account shall consist of any~~ Any revenue not
7 otherwise apportioned pursuant to the provisions of subsection A or
8 subsection B of ~~Section 6 of this act~~ Section 2947.2 of this title
9 shall be deposited and maintained in the special agency account
10 created in Section 10 of this act subject to the procedures provided
11 in this section.

12 B. The maximum balance for the ~~reserve~~ agency special account
13 shall never exceed Two Million Dollars (\$2,000,000.00) at the end of
14 each fiscal year.

15 C. The Oklahoma State University Center for Local Government
16 Technology and the Oklahoma Cooperative Extension Service County
17 Training Program may request permission to expend funds in the
18 reserve account from the Commission on County Government Personnel
19 Education and Training. The Oklahoma Tax Commission shall, upon
20 written notification of expenditure approval from the Commission on
21 County Government Personnel Education and Training, distribute from
22 the agency special account the approved amount, if available, to the
23 Oklahoma State University Center for Local Government Technology or
24

1 the Oklahoma Cooperative Extension Service County Training Program,
2 as applicable.

3 D. The balance in the ~~reserve account of the County Government~~
4 ~~Education-Technical Revolving Fund~~ special agency account shall
5 serve as a contingency for adverse conditions if the distributions
6 provided for in subsections A and B of ~~Section 6 of this act~~ Section
7 2947.2 of this title are insufficient to support the purposes of
8 education training, research, software and computer modernization of
9 county governments.

10 E. For any fiscal year ending June 30, the Oklahoma Tax
11 Commission shall transfer any amount of revenue in excess of Two
12 Million Dollars (\$2,000,000.00) remaining in the ~~reserve account of~~
13 ~~the County Government Education-Technical Revolving Fund~~ special
14 agency account to the General Revenue Fund of the State Treasury.

15 SECTION 11. AMENDATORY 68 O.S. 2011, Section 3204, as
16 amended by Section 4, Chapter 260, O.S.L. 2018 (68 O.S. Supp. 2020,
17 Section 3204), is amended to read as follows:

18 Section 3204. A. The Oklahoma Tax Commission shall design such
19 stamps in such denominations as in its judgment it deems necessary
20 for the administration of this tax. The Oklahoma Tax Commission
21 shall distribute the stamps to the county clerks of the counties of
22 this state, and the county clerks shall have the responsibility of
23 selling these stamps and shall have the further duty of accounting
24 for the stamps to the Oklahoma Tax Commission on the last day of

1 each month. Stamp metering machines or rubber stamps as prescribed
2 by the Oklahoma Tax Commission may be used by the county clerk, and
3 the expenses thereof shall be paid by the county concerned. The use
4 of meters or rubber stamps shall be governed by the Oklahoma Tax
5 Commission.

6 B. The county clerks shall account for all collections from the
7 sales of such stamps to the Oklahoma Tax Commission, on the last day
8 of each month. The first fifty-five cents (\$0.55) of each seventy-
9 five cents (\$0.75) collected shall be apportioned as follows:

10 1. The county clerks shall retain five percent (5%) of all
11 monies collected for such stamps as their cost of administration;
12 and

13 2. Of the remaining ninety-five percent (95%) the Oklahoma Tax
14 Commission shall ~~transfer monthly to the County Government~~
15 ~~Education Technical Revolving Fund created by Section 5 of this act~~
16 apportion for the fiscal year ending ~~June 30, 2020~~ June 30, 2022,
17 and for each fiscal year thereafter, Five Hundred Thousand Dollars
18 (\$500,000.00) plus three percent (3%) of the remainder as provided
19 in Sections 2947.2 and 2947.3 of this title. The remainder of the
20 collections shall be transferred by the Oklahoma Tax Commission to
21 the General Revenue Fund of the State Treasury to be expended
22 pursuant to legislative appropriation.

23 C. The remaining twenty cents (\$0.20) of each seventy-five
24 cents (\$0.75) collected shall be paid into the county general fund.

1 SECTION 12. NEW LAW A new section of law not to be
2 codified in the Oklahoma Statutes reads as follows:

3 On the effective date of this act, all monies remaining in the
4 County Government Education-Technical Revolving Fund shall be
5 transferred to the agency special account created in Section 8 of
6 this act.

7 SECTION 13. AMENDATORY 68 O.S. 2011, Section 3624, as
8 last amended by Section 3, Chapter 313, O.S.L. 2019 (68 O.S. Supp.
9 2020, Section 3624), is amended to read as follows:

10 Section 3624. A. There is hereby created the Oklahoma Film
11 Enhancement Rebate Program. A rebate in the amount of up to
12 seventeen percent (17%) of documented expenditures made in Oklahoma
13 directly attributable to the production of a film, television
14 production, or television commercial, as defined in Section 3623 of
15 this title, in this state, may be paid to the production company
16 responsible for the production. Provided, for documented
17 expenditures made after July 1, 2009, the rebate amount shall be
18 thirty-five percent (35%), except as provided in subsection B of
19 this section.

20 B. The amount of rebate paid to the production company as
21 provided for in subsection A of this section shall be increased by
22 an additional two percent (2%) of documented expenditures if a
23 production company spends at least Twenty Thousand Dollars
24 (\$20,000.00) for the use of music created by an Oklahoma resident

1 that is recorded in Oklahoma or for the cost of recording songs or
2 music in Oklahoma for use in the production.

3 C. The rebate program shall be administered by the Office of
4 the Oklahoma Film and Music Commission and the Oklahoma Tax
5 Commission, as provided in the Compete with Canada Film Act.

6 D. To be eligible for a rebate payment:

7 1. The production company responsible for a film, television
8 production, or television commercial, as defined in Section 3623 of
9 this title, made in this state shall submit documentation to the
10 Office of the Oklahoma Film and Music Commission of the amount of
11 wages paid for employment in this state to residents of this state
12 directly relating to the production and the amount of other
13 production costs incurred in this state directly relating to the
14 production;

15 2. The production company has filed or will file any Oklahoma
16 tax return or tax document which may be required by law;

17 3. Except major studio productions, the production company
18 shall provide the name of the completion guarantor and a copy of the
19 bond guaranteeing the completion of the project or if a film has not
20 secured a completion bond, the production company shall provide
21 evidence that all Oklahoma crew and local vendors have been paid and
22 there are no liens against the production company pending in the
23 state;

24

1 4. The minimum budget for the film shall be Fifty Thousand
2 Dollars (\$50,000.00) of which not less than Twenty-five Thousand
3 Dollars (\$25,000.00) shall be expended in this state;

4 5. The production company shall provide evidence of financing
5 for production prior to the commencement of principal photography;
6 and

7 6. The production company shall provide evidence of a
8 certificate of general liability insurance with a minimum coverage
9 of One Million Dollars (\$1,000,000.00) and a workers' compensation
10 policy pursuant to state law, which shall include coverage of
11 employer's liability.

12 E. A production company shall not be eligible to receive both a
13 rebate payment pursuant to the provisions of ~~this act~~ Section 3621
14 et seq. of this title and an exemption from sales taxes pursuant to
15 the provisions of paragraph 23 of Section 1357 of this title. If a
16 production company has received such an exemption from sales taxes
17 and submits a claim for rebate pursuant to the provisions of the
18 Compete with Canada Film Act, the company shall be required to fully
19 repay the amount of the exemption to the Tax Commission. A claim
20 for a rebate shall include documentation from the Tax Commission
21 that repayment has been made as required herein or shall include an
22 affidavit from the production company that the company has not
23 received an exemption from sales taxes pursuant to the provisions of
24 paragraph 21 of Section 1357 of this title.

1 F. The Office shall approve or disapprove all claims for rebate
2 and shall notify the Tax Commission. The Tax Commission shall, upon
3 notification of approval from the Office of the Film and Music
4 Commission, issue payment for all approved claims from funds in the
5 Oklahoma Film Enhancement Rebate Program Revolving Fund created in
6 Section 3625 of this title. Excluding any rebate payments to high
7 impact productions as provided for in subsection G of this section,
8 the amount of ~~payments~~ claims prequalified and approved by the
9 Office in any single fiscal year shall not exceed Eight Million
10 Dollars (\$8,000,000.00). If the amount of approved claims exceeds
11 the amount specified in this subsection in a fiscal year, payments
12 shall be made in the order in which the claims are approved by the
13 Office. If an approved claim is not paid in whole or in part, the
14 unpaid claim or unpaid portion may be paid in the following fiscal
15 year subject to the limitations specified in this subsection. The
16 liability of the State of Oklahoma to make incentive payments
17 pursuant to this act shall be limited to the balance of the Oklahoma
18 Film Enhancement Rebate Program Revolving Fund.

19 G. 1. At the time the Office of the Film and Music Commission
20 issues a conditional prequalification for a production, such
21 prequalification may include a proposed designation as a high impact
22 production, as defined in Section 3623 of this title.

23 2. The proposed designation must be approved by the Cabinet
24 Secretary for Commerce and Tourism.

1 3. If the high impact production otherwise meets all of the
2 requirements of the Compete With Canada Act and the Office gives
3 final approval to rebate claims, such rebate claims shall not be
4 subject to the Eight Million Dollar (\$8,000,000.00) cap provided for
5 in subsection F of this section.

6 4. The payment of a rebate claim approved by the Office for a
7 production designated as a high impact production by the Cabinet
8 Secretary may be made as follows:

9 a. by special appropriation to the Oklahoma Film
10 Enhancement Rebate Program Revolving Fund, if the
11 claim is approved during a regular or special session
12 of the Oklahoma Legislature, or

13 b. by payment from the Oklahoma Quick Action Closing Fund
14 pursuant to Section 48.2 of Title 62 of the Oklahoma
15 ~~Statues~~ Statutes, if the claim is approved when the
16 Oklahoma Legislature is not in session.

17 SECTION 14. This act shall become effective November 1, 2021.

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