

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 4044

By: McCall

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8 COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; providing
10 procedures for compliance with certain tax laws;
11 authorizing waiver of penalty and interest;
12 specifying tax types with respect to which wavier
13 allowable; imposing limitations and conditions on
14 taxpayer participation; prescribing procedures;
15 providing for administrative rules; restricting
16 procedures based upon status as appointed or elected
17 official; authorizing utilization of procedures
18 notwithstanding statutory provisions; providing for
19 codification; and providing an effective date.

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

26 SECTION 1. NEW LAW A new section of law to be codified
27 in the Oklahoma Statutes as Section 216.6 of Title 68, unless there
28 is created a duplication in numbering, reads as follows:

29 A. For the purpose of encouraging the voluntary disclosure and
30 payment of taxes owed to this state, the Oklahoma Tax Commission is
31 hereby authorized and directed to establish a Voluntary Disclosure
32 Initiative for eligible taxes, as provided in this section. A

1 taxpayer shall be entitled to a waiver of penalty, interest and
2 other collection fees due on eligible taxes if the taxpayer
3 voluntarily files delinquent tax returns and pays the taxes due
4 during the disclosure initiative. The time in which a voluntary
5 payment of tax liability may be made or the taxpayer may enter into
6 a payment program acceptable to the Tax Commission for payment of
7 the unpaid taxes in full in the manner and time established in a
8 written payment program agreement between the Tax Commission and the
9 taxpayer under the Voluntary Disclosure Initiative shall be
10 applicable with respect to the enumerated tax types in this section
11 for all periods beginning January 1, 2020, and ending December 31,
12 2024 and the taxpayer shall be required to make application to the
13 Tax Commission during the period beginning January 1, 2025, and
14 ending December 31, 2025.

15 B. Upon payment of the eligible taxes under the Voluntary
16 Disclosure Initiative established, the Tax Commission shall abate
17 and not seek to collect any interest, penalties or collection fees
18 that would otherwise be applicable.

19 C. As used in this section, "eligible taxes" shall include the
20 following taxes that were due and payable for the tax period or
21 periods prescribed by subsection A of this section before entering
22 into an agreement as provided in the initiative:

23 1. Mixed beverage tax levied pursuant to Section 576 of Title
24 37 of the Oklahoma Statutes;

1 2. Gasoline and diesel tax levied pursuant to Section 500.4 of
2 Title 68 of the Oklahoma Statutes;

3 3. Gross production and petroleum excise tax levied pursuant to
4 Sections 1001, 1101 and 1102 of Title 68 of the Oklahoma Statutes;

5 4. Sales tax levied pursuant to Section 1354 of Title 68 of the
6 Oklahoma Statutes;

7 5. Use tax levied pursuant to Section 1402 of Title 68 of the
8 Oklahoma Statutes;

9 6. Income tax levied pursuant to Section 2355 of Title 68 of
10 the Oklahoma Statutes; and

11 7. Withholding tax levied pursuant to Section 2385.2 of Title
12 68 of the Oklahoma Statutes.

13 D. To be eligible to participate in this initiative, taxpayers
14 must:

15 1. Not have collected taxes from others, such as sales and use
16 taxes or payroll taxes, and not reported those taxes; and

17 2. Not have, within the preceding three (3) years, entered into
18 a voluntary disclosure agreement for the type of tax owed.

19 E. If the Tax Commission agrees with the proposed terms for
20 payment of the principal amount of tax due and owing, the penalties
21 and interest otherwise imposed by law upon the principal amount
22 shall be waived by operation of law and no further action by the Tax
23 Commission or by the taxpayer shall be required for the waiver of
24 such penalty and applicable interest.

1 F. The Tax Commission shall limit the period for which
2 additional taxes may be assessed to three (3) taxable years for
3 annually filed taxes or thirty-six (36) months for taxes that do not
4 have an annual filing frequency.

5 G. Taxpayers who meet all of the qualifications specified in
6 subsection D of this section, except those who have collected taxes
7 from others, such as sales and use taxes or payroll taxes, and not
8 reported those taxes, may enter into a modified voluntary disclosure
9 agreement.

10 H. The provisions of a modified voluntary disclosure agreement
11 shall be the same as a voluntary disclosure agreement as specified
12 in subsection E of this section; provided, the waiver of interest
13 shall not apply except as may be optionally granted at the
14 discretion of the Tax Commission, and the period for which taxes
15 must be reported and remitted or assessed is extended beyond the
16 three-year or thirty-six-month period provided in subsection F of
17 this section to include all periods in which tax has been collected
18 but not remitted.

19 I. The waiver of penalty and interest provided herein is fully
20 effective provided taxpayer continues payment or collection and
21 remittance of applicable taxes, as required by law, for a period of
22 one (1) year after the tax period(s) for which taxes were paid
23 pursuant to this initiative.

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1 J. The Tax Commission is authorized to expend necessary
2 available funds, including contracting with third parties, to
3 publicly advertise, assist in the collection of eligible taxes, and
4 administer the Voluntary Disclosure Initiative and shall be exempt
5 from the provisions of Section 85.7 of Title 74 of the Oklahoma
6 Statutes for the purpose of implementing this section.

7 K. The Tax Commission is authorized to promulgate rules
8 detailing the terms and other conditions of this program.

9 L. The provisions of this section shall not be applicable to
10 any person appointed to or elected to a public office.

11 M. A taxpayer may utilize the procedures described by this
12 section notwithstanding the provisions of Section 216.5 of Title 68
13 of the Oklahoma Statutes.

14 SECTION 2. This act shall become effective November 1, 2024.

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16 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
17 02/29/2024 - DO PASS, As Amended.

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