

1 ENGROSSED HOUSE
2 BILL NO. 4044

By: McCall of the House

3 and

4 Treat of the Senate

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

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

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

24 A. For the purpose of encouraging the voluntary disclosure and
payment of taxes owed to this state, the Oklahoma Tax Commission is
hereby authorized and directed to establish a Voluntary Disclosure
Initiative for eligible taxes, as provided in this section. A
taxpayer shall be entitled to a waiver of penalty, interest and
other collection fees due on eligible taxes if the taxpayer

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

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

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

21 1. Mixed beverage tax levied pursuant to Section 576 of Title
22 37 of the Oklahoma Statutes;

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

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

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

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

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

9 7. Withholding tax levied pursuant to Section 2385.2 of Title
10 68 of the Oklahoma Statutes.

11 D. To be eligible to participate in this initiative, taxpayers
12 must:

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

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

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

23 F. The Tax Commission shall limit the period for which
24 additional taxes may be assessed to three (3) taxable years for

1 annually filed taxes or thirty-six (36) months for taxes that do not
2 have an annual filing frequency.

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

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

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

22 J. The Tax Commission is authorized to expend necessary
23 available funds, including contracting with third parties, to
24 publicly advertise, assist in the collection of eligible taxes, and

1 administer the Voluntary Disclosure Initiative and shall be exempt
2 from the provisions of Section 85.7 of Title 74 of the Oklahoma
3 Statutes for the purpose of implementing this section.

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

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

8 M. A taxpayer may utilize the procedures described by this
9 section notwithstanding the provisions of Section 216.5 of Title 68
10 of the Oklahoma Statutes.

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

12 Passed the House of Representatives the 12th day of March, 2024.

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Presiding Officer of the House
of Representatives

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17 Passed the Senate the ____ day of _____, 2024.

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Presiding Officer of the Senate

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