

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL 895

By: Scott

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2011, Sections 1210, as amended by Section 2, Chapter 335, O.S.L. 2017 and 1212, as amended by Section 1, Chapter 236, O.S.L. 2017 (68 O.S. Supp. 2018, Sections 1210 and 1212), which relate to franchise tax; modifying reporting provisions; repealing 68 O.S. 2011, Sections 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, as last amended by Section 1, Chapter 335, O.S.L. 2017, 1209, 1211 and 1212.1 (68 O.S. Supp. 2018, Section 1208), which relate to the Oklahoma Franchise Tax Code; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1210, as amended by Section 2, Chapter 335, O.S.L. 2017 (68 O.S. Supp. 2018, Section 1210), is amended to read as follows:

Section 1210. A. In addition to any other statement required by law, each and every corporation, association or organization, ~~as enumerated in Sections 1201, 1203, and 1204 of this title, subject to the provisions of Section 1201 et seq. of this title, either during the period of July 1 to August 31, inclusive, of each year, or not later than June 1 for taxpayers that remitted the maximum~~

1 ~~amount of tax pursuant to Section 1205 of this title for the~~  
2 ~~preceding tax year, or, except for taxpayers that remitted the~~  
3 ~~maximum amount of tax pursuant to Section 1205 of this title for the~~  
4 ~~preceding tax year, on or before the date by which an income tax~~  
5 ~~return is required to be filed pursuant to the provisions of~~  
6 ~~subsection G of Section 2368 of this title or pursuant to the~~  
7 ~~provisions of Section 216 of this title, based upon the election by~~  
8 ~~the taxpayer regarding the due date for payment of tax,~~ shall file  
9 with the Oklahoma Tax Commission a statement under oath of its  
10 president, secretary or managing officer, or managing agent in this  
11 state. The statement shall be in such form as the Tax Commission  
12 shall prescribe, ~~including balance sheets as at the close of its~~  
13 ~~last preceding taxable year for which an income tax return was~~  
14 ~~required to be filed, showing and include~~ the following:

- 15 1. ~~The amount of its authorized capital stock, interests,~~  
16 ~~certificates, or other evidence of interest or ownership;~~
- 17 2. ~~The amount thereof then paid up;~~
- 18 3. ~~The number of units into which the same is divided;~~
- 19 4. ~~The par value of each unit and the number of such units~~  
20 ~~issued and outstanding;~~
- 21 5. ~~The location of the office or offices;~~
- 22 6. ~~The value of all property owned or used in its business and~~  
23 ~~wherever located;~~

1       ~~7. The value of all property owned or used in its business~~  
2 ~~within this state as it existed on the last day of the tax year;~~

3       ~~8. The total amount of all business wherever transacted during~~  
4 ~~the tax year;~~

5       ~~9. The total amount of business transacted within the State of~~  
6 ~~Oklahoma during such year; and~~

7       ~~10.~~ 2. The names of its officers and the residence and post  
8 office address of each as the same appear of record on the last day  
9 of the tax year, based upon the election by the taxpayer ~~regarding~~  
10 ~~the due date for payment of tax.~~

11       ~~B. If any corporation, association or organization making a~~  
12 ~~return under the provisions of Section 1201 et seq. of this title~~  
13 ~~has no authorized capital, or if any of its shares of stock or other~~  
14 ~~evidences of interest or ownership have no par value, then such~~  
15 ~~corporation, association or organization shall so state in its~~  
16 ~~return, and shall, in addition thereto, state the book value of its~~  
17 ~~shares of stock or other evidences of interest or ownership. It~~  
18 ~~shall also, in making its return, make the showing required of all~~  
19 ~~other corporations, associations and organizations, and each Each~~  
20 ~~foreign corporation shall state the name of its registered agent~~  
21 ~~residing at the capital of the state. The return shall be in such~~  
22 ~~form as the Tax Commission shall prescribe.~~

23       ~~C. A corporation or organization subject to the tax levied by~~  
24 ~~Section 1203 or Section 1204 of this title for which the computation~~

1 ~~of capital employed in the state equals or exceeds Sixteen Million~~  
2 ~~Dollars (\$16,000,000.00), shall file a maximum franchise tax return~~  
3 ~~on such form as may be prescribed by the Oklahoma Tax Commission.~~

4       ~~D. The Tax Commission shall prescribe a form for use by~~  
5 ~~corporations or organizations subject to the maximum tax imposed by~~  
6 ~~Section 1205 of this title in order for such corporations or~~  
7 ~~organizations to determine if the value of capital employed in this~~  
8 ~~state requires filing a maximum franchise tax return. The Tax~~  
9 ~~Commission shall also prescribe a form for use by corporations or~~  
10 ~~organizations exempt from the tax imposed by Sections 1203 and 1204~~  
11 ~~of this title pursuant to Section 1205 of this title. Such form~~  
12 ~~shall include the names of the officers of the corporation or~~  
13 ~~organization and the residence and post office address of each as~~  
14 ~~the same appears of record on the last day of the tax year and a~~  
15 ~~statement attesting that no tax is due for the taxable period. If a~~  
16 ~~corporation or organization is required to file the maximum~~  
17 ~~franchise tax return or is exempt from the tax imposed by Sections~~  
18 ~~1203 and 1204 of this title pursuant to Section 1205 of this title,~~  
19 ~~such return shall not be subject to the requirements of subsection A~~  
20 ~~of this section and the return shall only contain such information~~  
21 ~~as may be prescribed by the Commission. The return shall be in such~~  
22 ~~form as the Tax Commission shall prescribe.~~

1 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1212, as  
2 amended by Section 1, Chapter 236, O.S.L. 2017 (68 O.S. Supp. 2018,  
3 Section 1212), is amended to read as follows:

4 Section 1212. A. If the report required pursuant to the  
5 provisions of Section 1210 of this title is not filed ~~and the tax~~  
6 ~~levied pursuant to the provisions of Section 1203, 1204 or 1205 of~~  
7 ~~this title is not paid~~ within the time provided under ~~subsection C~~  
8 ~~of Section 1208~~ Section 1210 of this title, the Oklahoma Tax  
9 Commission ~~shall levy and collect a penalty for such delinquency in~~  
10 ~~the amount of ten percent (10%) of the tax due. Such penalty shall~~  
11 ~~be collected and apportioned in the same manner as is the tax~~  
12 ~~itself. In such event, or if a form is not filed, as required by~~  
13 ~~subsection D of Section 1210 of this title by a corporation,~~  
14 ~~association or organization exempt from the tax pursuant to~~  
15 ~~subsection B of Section 1205 of this title, the Tax Commission may~~  
16 enter an order directing the suspension of the charter or other  
17 instrument of organization, under which the corporation, association  
18 or organization may be organized, and the forfeiture of all  
19 corporate or other rights inuring thereunder. However, no such  
20 order of the Tax Commission shall be issued nor effective as to any  
21 corporation, association or organization the charter or certificate  
22 of authority of which is issued by the State Banking Board or State  
23 Banking Commissioner rather than the Secretary of State ~~and the Tax~~  
24 ~~Commission shall only notify the registered agents or managing~~

1 ~~officer of the corporation, association, or organization and shall~~  
2 ~~notify the State Banking Board or State Banking Commissioner of the~~  
3 ~~amount of unpaid tax. The Commissioner shall require the payment of~~  
4 ~~such tax, plus interest and penalty, if any, within a reasonable~~  
5 ~~time.~~

6 B. Any person who attempts or purports to exercise any of the  
7 rights, privileges or powers of any such domestic corporation,  
8 association or organization, or who does or attempts to do any  
9 business in the state in behalf of any such foreign corporation,  
10 association or organization, without having first obtained a license  
11 therefor, as provided herein, or after any such license so obtained  
12 shall have been canceled, forfeited, or expired, shall be guilty of  
13 a misdemeanor.

14 C. Each trustee, director or officer of any such corporation,  
15 association or organization, whose right to do business within this  
16 state shall be so forfeited, shall, as to any and all debts of such  
17 corporation, association or organization, which may be created or  
18 incurred with his or her knowledge, approval and consent, within  
19 this state after such forfeiture and before the reinstatement of the  
20 right of such corporation to do business, be deemed and held liable  
21 thereon in the same manner and to the same extent as if such  
22 trustees, directors, and officers of such corporation, association  
23 or organization were partners. Any corporation, association or  
24 organization whose right to do business shall be thus forfeited

1 shall be denied the right to sue or defend in any court of this  
2 state, except in a suit to forfeit the charter of such corporation,  
3 association or organization. In any suit against such corporation,  
4 association or organization on a cause of action arising before such  
5 forfeiture, no affirmative relief shall be granted to such  
6 corporation, association or organization unless its right to do  
7 business in this state shall be reinstated as provided herein.  
8 Every contract entered into by or in behalf of such corporation,  
9 association or organization, after such forfeiture as provided  
10 herein, is hereby declared to be voidable.

11 D. Notice of such suspension and forfeiture shall be forwarded  
12 by certified mail, return receipt requested, to the last-known  
13 address of the registered agent or managing officer of each  
14 corporation, association or organization, and the Tax Commission may  
15 cause notice of such suspension and forfeiture to be published in a  
16 newspaper of general circulation in the county in which the general  
17 business office of each such corporation, association or  
18 organization is located in this state.

19 E. The Tax Commission, shall immediately upon entering an order  
20 suspending and forfeiting any such charter or other instrument of  
21 organization, transmit the name of each such corporation,  
22 association or organization named therein to the Secretary of State  
23 or the county clerk of the county in which the instrument under  
24 which it may be organized is filed, and the Secretary of State or

1 county clerk, as the case may be, shall immediately record the same  
2 and such record shall constitute notice to the public. The  
3 suspension and forfeiture herein provided for shall become effective  
4 immediately upon such record being made and the certificate of the  
5 Secretary of State or the county clerk shall be prima facie evidence  
6 of such suspension and forfeiture.

7 F. After the issuance of such order of suspension and  
8 forfeiture by the Tax Commission, the charter or other instrument of  
9 organization may only be revived and reinstated upon the payment of  
10 the accrued fees and penalties and a reinstatement fee in the amount  
11 of One Hundred Fifty Dollars (\$150.00), and a showing by the  
12 corporation, association or organization of a full compliance with  
13 the laws of this state. Such payment of accrued fees and penalties  
14 must be made prior to the expiration of the time provided in such  
15 charter or other instrument of organization for the life of such  
16 corporation, association or organization.

17 SECTION 3. REPEALER 68 O.S. 2011, Sections 1201, 1202,  
18 1203, 1204, 1205, 1206, 1207, 1208, as last amended by Section 1,  
19 Chapter 335, O.S.L. 2017, 1209, 1211 and 1212.1 (68 O.S. Supp. 2018,  
20 Section 1208), are hereby repealed.

21 SECTION 4. This act shall become effective July 1, 2019.

22 SECTION 5. It being immediately necessary for the preservation  
23 of the public peace, health or safety, an emergency is hereby  
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1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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