

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No. _____

COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend Senate Bill No. 1595, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Treat

Treat-JCR-FS-Req#4033
3/10/2020 6:01 PM

(Floor Amendments Only) Date and Time Filed: _____

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 FLOOR SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1595

By: Treat of the Senate

and

McCall of the House

7
8 FLOOR SUBSTITUTE

9 [sales tax - permits - Sale for Resale permits -
10 effective date]

11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 1357A of Title 68, unless there
15 is created a duplication in numbering, reads as follows:

16 A. In order to qualify for the sales for resale exemption
17 authorized in paragraph 3 of Section 1357 of Title 68 of the
18 Oklahoma Statutes, at the time of sale, the person to whom the sale
19 is made, provided the purchaser is a resident of this state, shall
20 be required to furnish the vendor a valid Sale for Resale permit for
21 the exemption as required by this section. All vendors shall honor
22 a valid Sale for Resale Permit for sales tax exemption as authorized
23 under this section and subject to verification procedures outlined
24 in subsection I of this section, and sales to a person providing

1 such proof shall be exempt from the tax levied by Section 1350 et
2 seq. of Title 68 of the Oklahoma Statutes.

3 B. Every person holding a sales tax permit and desiring to make
4 purchases for resale under paragraph 3 of Section 1357 of Title 68
5 of the Oklahoma Statutes within this state who would be designated
6 as a Group One, Group Two, Group Three or Group Four vendor,
7 pursuant to Section 1363 of Title 68 of the Oklahoma Statutes, shall
8 be required to secure an annual permit from the Oklahoma Tax
9 Commission. Each such person shall file electronically in a manner
10 prescribed by the Tax Commission an initial or renewal Sale for
11 Resale permit application each year, setting forth such information
12 as the Tax Commission may require. Sale for Resale permits will not
13 be issued or renewed until all outstanding returns are filed by
14 applicant and tax delinquencies are satisfied.

15 C. Upon receipt of the application, the Tax Commission may
16 issue a permit effective for one year unless the applicant receives
17 notification of the refusal of the Commission to issue the permit.
18 If the applicant receives a notice of refusal, the applicant may
19 request a hearing to show cause why the Sale for Resale permit
20 should be issued. Upon receipt of a request for a hearing, the Tax
21 Commission shall set the matter for hearing and give ten (10) days'
22 notice in writing of the time and place of the hearing. At the
23 hearing, the applicant shall set forth the qualifications of the
24

1 applicant for a permit and proof of compliance with all state tax
2 laws.

3 D. A separate Sale for Resale permit for each business to be
4 operated must be obtained from the Tax Commission. The Tax
5 Commission shall grant and issue to each applicant a Sale for Resale
6 permit for each business in this state, upon proper application
7 therefor and verification thereof by the Tax Commission. A business
8 with multiple locations in this state may operate under one Sale for
9 Resale permit.

10 E. A permit is not assignable and shall be valid only for the
11 person in whose name it is issued and for the transaction of
12 business at the place designated therein. The permit may be used in
13 accordance with the requirements of this section by the permit
14 holder. The permit shall be in addition to all other permits
15 required by the laws of this state. Provided, if the location of
16 the business is changed, the person shall notify the Tax Commission
17 by providing any information the Tax Commission may require.

18 F. It shall be unlawful for any person designated as a Group
19 One, Group Two, Group Three or Group Four vendor, pursuant to
20 Section 1363 of Title 68 of the Oklahoma Statutes to claim a sale
21 for resale exemption within this state unless a permit or permits
22 shall have been issued to such person. Any person who claims a sale
23 for resale exemption subject to the provisions of this section
24 without a permit or permits, or after a permit has been suspended,

1 upon conviction, shall be guilty of a misdemeanor punishable by a
2 fine of not more than One Thousand Dollars (\$1,000.00). Any person
3 convicted of a second or subsequent violation hereof shall be guilty
4 of a felony and punishable by a fine of not more than Five Thousand
5 Dollars (\$5,000.00) or by a term of imprisonment in the State
6 Penitentiary for not more than two (2) years, or both such fine and
7 imprisonment.

8 G. All Sales for Resale permits issued under the provisions of
9 this section shall expire at 11:59 P.M. on the next June 30th
10 following the effective date of issuance.

11 H. Whenever a holder of a permit fails to comply with any
12 provisions of this section, the Tax Commission, after giving ten
13 (10) days' notice in writing of the time and place of hearing to
14 show cause why the permit should not be revoked, may revoke or
15 suspend the permit, the permit to be renewed upon removal of cause
16 or causes of revocation or suspension. However, if a holder of a
17 permit becomes delinquent for a period of three (3) months or more
18 in reporting, providing requested reports or paying of any tax due
19 under this article, any duly authorized agent of the Tax Commission
20 may cancel the Sale for Resale permit and it shall be returned or
21 renewed only upon the filing of proper reports and payment of all
22 taxes due under this section.

23 I. When the Tax Commission develops and adopts a system for
24 exchanging information with sellers regarding Sale for Resale permit

1 numbers of purchasers who are seeking to make purchases for resale,
2 sellers shall use the system to verify the validity of the Sale for
3 Resale permit number. The Tax Commission shall provide such
4 sellers, free of charge, verification of whether those Sale for
5 Resale permit numbers are valid. The Tax Commission shall also
6 provide the seller a transaction code authorizing the seller to sell
7 items purchased for resale to purchasers who hold a valid Sale for
8 Resale permit. The failure by the seller to verify the purchaser's
9 permit number shall create a presumption that the sale is not a sale
10 for resale.

11 J. Notwithstanding the provisions of Section 205 of Title 68 of
12 the Oklahoma Statutes, the Oklahoma Tax Commission is authorized to
13 release the following information contained in the Master Sales and
14 Use Tax File to vendors:

- 15 1. Permit number(s);
- 16 2. Name in which permit is issued;
- 17 3. Name of business operation if different from ownership
18 (DBA);
- 19 4. Mailing address;
- 20 5. Business address;
- 21 6. North American Industry Classification System (NAICS; and
- 22 7. Effective date of issuance or of cancellation of a permit.

23 Release of such information shall be limited to tax remitters
24 for the express purpose of determining the validity of Sale for

1 Resale permits presented as evidence of purchasers' sales tax resale
2 status under the Oklahoma Sales Tax Code.

3 The provisions of this subsection shall be strictly interpreted
4 and shall not be construed as permitting the disclosure of any other
5 information contained in the records and files of the Tax Commission
6 relating to sales tax or to any other taxes. No liability
7 whatsoever, civil or criminal, shall attach to any member of the Tax
8 Commission or any employee thereof for any error or omission in the
9 disclosure of information pursuant to this subsection.

10 K. Under the Streamlined Sales and Use Tax Agreement provided
11 in Section 1354.14 et seq. of Title 68 of the Oklahoma Statutes, the
12 Tax Commission is authorized to participate in its online sales and
13 use tax registration system and shall not require the payment of the
14 registration fees or other charges provided in this section from a
15 vendor who registers within the online system if the vendor has no
16 legal requirement to register.

17 SECTION 2. This act shall become effective July 1, 2021.

18

19 57-2-4033 JCR 3/10/2020 6:01:47 PM

20

21

22

23

24