

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO. 680

By: Montgomery

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5  
6 AS INTRODUCED

7 An Act relating to tax administration; amending 68  
8 O.S. 2011, Section 217, as last amended by Section 1,  
9 Chapter 28, O.S.L. 2016 (68 O.S. Supp. 2018, Section  
10 217), which relates to computation of interest on  
11 delinquent taxes; providing for modification of  
12 interest rate; deleting obsolete language; and  
13 providing an effective date.

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 217, as last  
16 amended by Section 1, Chapter 28, O.S.L. 2016 (68 O.S. Supp. 2018,  
17 Section 217), is amended to read as follows:

18 Section 217. A. If any amount of tax imposed or levied by any  
19 state tax law, or any part of such amount, is not paid before such  
20 tax becomes delinquent, there shall be collected on the total  
21 delinquent tax interest at ~~the a rate of one and one-quarter percent~~  
22 ~~(1 1/4%)~~ per month equal to the New York Federal Reserve Bank prime  
23 rate plus three percentage points for the immediately preceding  
24 month from the date of the delinquency until paid.

1 B. Interest upon any amount of state tax determined as a  
2 deficiency, under the provisions of Section 221 of this title, shall  
3 be assessed at the same time as the deficiency and shall be paid  
4 upon notice and demand of the Oklahoma Tax Commission at ~~the~~ a rate  
5 ~~of one and one-quarter percent (1 1/4%)~~ per month equal to the New  
6 York Federal Reserve Bank prime rate plus three percentage points  
7 for the immediately preceding month from the date prescribed in the  
8 state tax law levying such tax for the payment thereof to the date  
9 the deficiency is assessed.

10 C. If any tax due under state sales, use, tourism, mixed  
11 beverage gross receipts, or motor fuel tax laws, or any part  
12 thereof, is not paid within fifteen (15) days after such tax becomes  
13 delinquent a penalty of ten percent (10%) on the total amount of tax  
14 due and delinquent shall be added thereto, collected and paid.  
15 However, the Tax Commission shall not collect the penalty assessed  
16 if the taxpayer remits the tax and interest within sixty (60) days  
17 of the mailing of a proposed assessment or voluntarily pays the tax  
18 upon the filing of an amended return.

19 D. If any tax due under any state tax law other than those  
20 specified in subsection C of this section, or any part thereof, is  
21 not paid within thirty (30) days after such tax becomes delinquent a  
22 penalty of ten percent (10%) on the total amount of tax due and  
23 delinquent shall be added thereto, collected and paid. However, the  
24 Tax Commission shall not collect the penalty assessed if the

1 taxpayer remits the tax and interest within sixty (60) days of the  
2 mailing of a proposed assessment or voluntarily pays the tax upon  
3 the filing of an amended return.

4 E. If any part of any deficiency, arbitrary or jeopardy  
5 assessment made by the Tax Commission is based upon or occasioned by  
6 the taxpayer's negligence or by the failure or refusal of any  
7 taxpayer to file with the Tax Commission any report or return, as  
8 required by this title, or by any state tax law, within ten (10)  
9 days after a written demand for such report or return has been  
10 served upon any taxpayer by the Tax Commission by letter, the Tax  
11 Commission may assess and collect, as a penalty, twenty-five percent  
12 (25%) of the amount of the assessment. For purposes of this  
13 subsection, "negligence" shall mean the consistent understatement of  
14 income, consistent understatement of receipts or a system of  
15 recordkeeping by the taxpayer that consistently results in an  
16 inaccurate reporting of tax liability.

17 F. If any part of any deficiency is due to fraud with intent to  
18 evade tax, then fifty percent (50%) of the total amount of the  
19 deficiency, in addition to such deficiency, including interest as  
20 herein provided, shall be added, collected and paid.

21 G. All penalties or interest imposed by this title, or any  
22 state tax law, shall be recoverable by the Tax Commission as a part  
23 of the tax with respect to which they are imposed, the penalties  
24 bearing interest as provided in this section for the tax, and all

1 penalties and interest shall be apportioned as provided for the  
2 apportionment of the tax on which such penalties or interest are  
3 collected.

4 H. 1. Whenever an income tax refund is not paid to the  
5 taxpayer within ninety (90) days after the return is filed or due,  
6 whichever is later, with all documents as required by the Tax  
7 Commission, entitling the taxpayer to a refund, then the Tax  
8 Commission shall pay interest on the refund, at the same rate  
9 specified for interest on delinquent tax payments. The payment of  
10 interest on refunds provided for by this section shall apply to tax  
11 year 1987 and subsequent tax years. The Tax Commission shall not be  
12 required to pay interest on an income tax refund which is applied,  
13 in whole or in part, to a prior year tax liability pursuant to  
14 Section 2385.17 of this title or upon an income tax refund applied,  
15 in whole or in part, to satisfy a debt owed to the Internal Revenue  
16 Service of the United States or to a state agency, including the  
17 Oklahoma Tax Commission, as provided by Section 205.2 of this title.

18 ~~2. For tax returns filed after January 1, 2004, and before~~  
19 ~~January 2, 2010, whenever an income tax refund is not paid to the~~  
20 ~~taxpayer within the following number of days after the income tax~~  
21 ~~return is filed with all documents as required by the Tax Commission~~  
22 ~~or after the income tax return is due, whichever is later, entitling~~  
23 ~~the taxpayer to a refund, then the Tax Commission shall pay interest~~

1 ~~on the refund at the same rate specified for interest on delinquent~~  
2 ~~tax payments:~~

3 ~~a. for returns filed electronically, thirty (30) days,~~

4 ~~and~~

5 ~~b. for all other returns, one hundred fifty (150) days.~~

6 ~~3. For tax returns filed after January 1, 2010, whenever~~

7 Whenever an income tax refund is not paid to the taxpayer within the  
8 following number of days after the income tax return is filed with  
9 all documents as required by the Tax Commission entitling the  
10 taxpayer to a refund, then the Tax Commission shall pay interest on  
11 the refund at the same rate specified for interest on delinquent tax  
12 payments:

13 a. for returns filed electronically, forty-five (45)

14 days, and

15 b. for all other returns, ninety (90) days.

16 SECTION 2. This act shall become effective November 1, 2019.

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