



## OKLAHOMA TAX COMMISSION

# LEGISLATIVE UPDATE

PREPARED BY THE COMMUNICATIONS DIVISION  
IN CONJUNCTION WITH TAX POLICY AND RESEARCH

## 2012

This informational packet is not intended to be a complete listing of tax related laws or law changes.  
This is an abbreviated listing that highlights those changes effecting a large number of taxpayers.

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For further tax information including tax rules, please visit our web site at [www.tax.ok.gov](http://www.tax.ok.gov)  
or contact the Oklahoma Tax Commission at (405) 521-3160.



## OKLAHOMA TAX COMMISSION

# ASSISTANCE GUIDE

(all numbers are within the "405" area code)

### **Tax Professional Hotline:**

The Oklahoma Tax Commission implemented a couple of methods in which tax professionals may by-pass the main telephone line to receive immediated responses to inquiries related to tax issues.

**First method:**..... Calling 521-6827 or

**Second method:**..... Emailing questions to: [taxprofessionalquestion@tax.ok.gov](mailto:taxprofessionalquestion@tax.ok.gov)

### **Telephone Numbers:**

#### **Account Maintenance Division**

Main Number ..... 521-4271

#### **Ad Valorem Division**

Main Number ..... 319-8200

#### **Communications Division**

Main Number ..... 521-3637

#### **Compliance Division**

Audit - Main Number ..... 521-3251

Collections - Main Number..... 521-3281

#### **Legal Division**

Main Number ..... 319-8550

#### **Motor Vehicle Division**

Main Number ..... 521-3221

#### **Tax Policy and Research**

Tax Analysts ..... 521-3133

#### **Taxpayer Assistance**

Taxpayer Resource Center ..... 521-3160

**Toll Free** (within Oklahoma only) ..... 1 (800) 522-8165

(To be connected to a division other than Taxpayer Assistance, please enter the last five digits of the phone number of the division in which you wish to be connected)

**Website: [www.tax.ok.gov](http://www.tax.ok.gov)**

**E-mail address:** [otcmaster@tax.ok.gov](mailto:otcmaster@tax.ok.gov)

## Changes to 2012 Income Tax From 2011 Legislative Session

Check-offs – There are six new check-offs & two were amended:

*Support of Domestic Violence and Sexual Assault Services* - Corporate and individual taxpayers may donate from their tax refund for the benefit of domestic violence and sexual assault services in Oklahoma that have been certified by the Attorney General. The donation will be used to provide grants to domestic violence and sexual assault service providers for the purpose of providing domestic violence and sexual assault services in Oklahoma. The term “services” includes but is not limited to programs, shelters or a combination thereof. 68 OS § 2368.22

*Support of Volunteer Fire Departments* - Corporate and individual taxpayers may donate from their tax refund for the benefit of volunteer fire departments in Oklahoma. The donation will be used to provide grants to volunteer fire departments in this state for the purpose of purchasing bunker gear, wildland gear and other protective clothing. 68 OS § 2368.23

*Oklahoma Lupus Revolving Fund* - Corporate and individual taxpayers may donate from their refund for the benefit of the Oklahoma Lupus Revolving Fund. Monies from the fund will be used by the State Department of Health to provide grants to the Oklahoma Medical Research Foundation for the purpose of funding research into treating and curing lupus in this state. 68 OS § 2368.24

*Oklahoma Sports Eye Safety Program* - Corporate and individual taxpayers may donate from their refund for the benefit of the Oklahoma Sports Eye Safety Program. The donation will be used by the State Department of Health to establish a sports eye safety grant program for the purchase and distribution of sports eye safety programs and materials to Oklahoma classrooms and sports eye safety protective wear to children age 18 and under. Monies will also be used to explore opportunities to utilize nonprofit organizations to provide such safety information or equipment. 68 OS § 2368.25

*Historic Greenwood District Music Festival Fund* - Corporate and individual taxpayers may donate from their refund to support music festivals held in the Historic Greenwood District. Monies donated will be expended by the Oklahoma Historical Society for the purpose of promoting and supporting music festivals in the Historic Greenwood District. 68 OS § 2368.26

*Public School Classroom Support Fund* - Corporate and individual taxpayers may donate for the benefit of the Public School Classroom Support Revolving Fund. Donations to the Public School Classroom Support Revolving Fund will be used by the State Board of Education to provide one or more grants annually to public school classroom teachers. Grants will be used by the classroom teacher for supplies, materials, or equipment for the class or classes taught by the teacher. Grant applications will be considered on a statewide competitive basis. A donation may be made whether the taxpayer is receiving a refund or has tax due. 70 OS § 1-122

The \$25 limit on the amount that can be donated to the *Y.M.C.A. Youth and Government Program* and to the *Multiple Sclerosis Society Fund* has been removed. 68 OS §§ 2368.17 and 2368.21

# Summary of 2012 Tax Legislation

## Income Tax

### Effective for Tax Year 2012

#### **Credit:**

##### **House Bill 1835**

Amends the Volunteer Firefighter Credit by changing the annual continuing education, training and certification requirements. The amount of the credit and number of continuing education hours required to qualify for the credit remain the same. 68 OS § 2358.7

##### **Senate Bill 1159**

Amends the Oklahoma Capital Investment Board Tax Credit. Extends the date by which tax credits must be exercised from July 1, 2015 to July 1, 2020. Also provides an exception to the July 1, 2020 date. Tax credits may be exercised after July 1, 2010 if the tax credits were purchased or agreed to be purchased pursuant to an agreement originally entered into no later than December 31, 1995. 74 OS § 5085.7

#### **Income Tax Check-off:**

##### **Senate Bill 1071**

Amends how donations to the “Support for Programs for Volunteers to Act as Court Appointed Special Advocates for Abused or Neglected Children” check-off may be expended. Monies will be used for the purpose of providing grants to the Oklahoma CASA Association for support for Court Appointed Special Advocates for abused and neglected children. The language that specified the funds would be used to provide recruitment, training and supervision has been removed as well as the language stating the funds shall be available for expenses incurred by CASA programs in Oklahoma. 68 OS § 2368.12

## Effective for Tax Year 2014

### Income Tax Check-offs:

#### Senate Bill 1071

Reauthorizes the following check-offs per the requirement found in 68 OS Section 2368:

- Support for Programs for Volunteers to Act as Court Appointed Special Advocates for Abused or Neglected Children 68 OS § 2368.12
- Support of the Oklahoma National Guard 68 OS § 2368.14
- Support of Programs for Regional Food Banks in Oklahoma 68 OS § 2368.16

## Ad Valorem Tax

#### House Bill 2648 - *Effective November 1, 2012*

Allows county assessors to provide to appraisers photocopies of taxpayer rendition forms and photocopies of any other documents filed by the taxpayer that are directly related to and necessary for appraisers to assist in an advisory capacity in making property valuations. Also, it provides that original documents filed by the taxpayer must be maintained by the county assessors and that upon expiration of the period for reassessment all copies of taxpayer documents and related appraiser work papers must be destroyed or returned to the county assessors by February 1<sup>st</sup> of the following year. Further, the measure provides all photocopies of taxpayer documents and appraiser work papers must be returned to the county assessor within ten calendar days of the termination of the contract with appraisers to provide valuation services. 68 OS § 2826

Allows a taxpayer or agent to appear at a hearing appealing a county assessor action in person, by telephone or other electronic means, or by affidavit. Also, it prohibits a member of the county board of equalization from directly or indirectly communicating with the county assessor or any deputy assessor or designated agent on any matter relating to any pending appeal before the board prior to the hearing. This prohibition will not apply to a routine communication between the county assessor and the board member related to the administration of an appraisal roll, including a communication made in connection with the certification, correction or collection of an account that is not the subject of a pending appeal. 68 OS § 2877

#### House Bill 3110 - *Effective January 1, 2013*

Provides that livestock owned by a general partnership, limited partnership, corporation, limited liability company, estate, trust or other lawfully recognized entity the primary purpose of which is to confer economic benefits derived from the ownership of the livestock on two or more members of the same family and not any persons who are not members of the same family, whether such members are related by consanguinity or affinity, shall be deemed to be livestock employed in support of the family for purposes of the ad valorem exemption authorized pursuant to Subsection B of Section 6 of Article 10 of the Oklahoma Constitution. Also, the measure

provides that an adopted child shall be treated as being related by consanguinity to persons who become the adoptive parents of such child and for purposes of the exempt treatment a surviving spouse having no other family members by consanguinity or affinity after the death of his or her spouse shall continue to be eligible for the exempt treatment of livestock used for his or her support. 68 OS § 2807.1

**Senate Bill 456 - Effective May 29, 2012**

Amends the qualification requirements for the five-year manufacturing ad valorem exemption. Excludes union master payouts paid by the buyer of the facility to specified individuals employed by the facility at the time of purchase from the payroll calculation for exemption qualification purposes for applicants engaged in paperboard manufacturing.<sup>1</sup> 68 OS § 2902

**Senate Bill 1131 - Effective November 1, 2012**

Removes the requirement that a county assessor spend at least one day in each city and incorporated town within the county provided that the assessor goes to each city and incorporated town in counties that have not abolished household personal property tax.<sup>2</sup> 68 OS § 2836

**Senate Bill 1449 - Effective January 1, 2013**

Modifies the manufactured home exemption<sup>3</sup> eligibility, increasing the income threshold to the greater of \$22,000 or 50% of the median income for the county or metropolitan statistical area in which the manufactured home owner lives. 68 OS § 2949

**Senate Bill 1678 - Effective January 1, 2013**

Requires Department of Public Safety to issue a permit to transport or move a manufactured home used for commercial purposes during the second through the sixth days of January if the applicant can provide a special waiver and a commercial move affidavit authorized pursuant to 68 OS Section 2813. 47 OS § 14-103D

Requires county assessors to issue a special waiver and a commercial move affidavit for the second through the sixth days of January to allow a manufactured home that is used for commercial purposes to be moved during the first five days in January without a Form 936 or a tax decal. Also, the measure requires that all registration fees, excise taxes or ad valorem taxes due on the manufactured home to be paid within 30 days of the issuance of the special waiver

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<sup>1</sup> As defined under U.S. Industry No. 322130 of the NAICS Manual, latest revision.

<sup>2</sup> Pursuant to Article 10 Section 6(B) of the Oklahoma Constitution only six counties, Adair, Beaver, Cherokee, Choctaw, Harper and Texas have not voted to exempt household personal property from ad valorem taxation.

<sup>3</sup> Currently, 68 OS Section 2949 allows an ad valorem exemption of \$2,000 in assessed value for each head of household, at least 62 years of age, owning and residing in a manufactured home located on land not owned by the manufactured home owner whose gross household income for the preceding year did not exceed \$10,000.

and commercial move affidavit. A business applying for a special waiver and commercial move affidavit must provide the county assessor with the information required by subsection B of 47 OS Section 14-103D. Further, county assessors are prohibited from issuing any business entity more than ten special waivers and commercial move affidavits in a calendar year. Also, provides that it shall be a misdemeanor for any person to transport or cause to be transported a manufactured home without the tax decal or a special waiver and affidavit. 68 OS § 2813

**Senate Joint Resolution 52** - *Effective Upon approval of voters – operative beginning January 1, 2013*

Proposes to amend Section 6A of Article 10 of the Oklahoma Constitution to provide that beginning January 1, 2013, intangible personal property shall not be subject to ad valorem tax or to any other tax in lieu of ad valorem within this State. [SQ 766]

## **Alcohol, Mixed Beverages and Low-point Beer**

**House Bill 2576** - *Effective July 1, 2012*

Changes the due date for beverage tax from the 10<sup>th</sup> to the 20<sup>th</sup> day of the month for the preceding calendar month. 37 OS § 163.5

Changes the due date for alcoholic beverage tax from the 10<sup>th</sup> to the 20<sup>th</sup> day of the month immediately succeeding the month the alcoholic beverage tax was incurred. 37 OS § 553

**Senate Bill 1667** - *Effective July 1, 2012*

Provides that except for the issuance of licenses by the Oklahoma Tax Commission for manufacturers, wholesalers, and retailers of low point beer<sup>4</sup>, the county retail low-point beer permit<sup>5</sup>, and the retail license fee by municipal corporations imposed on retail dealers selling low-point beer<sup>6</sup>, no license or permit or fee related thereto shall be required in relation to the sale, distribution, possession or handling of low-point beer by any agency, instrumentality or political subdivision of this state. Further, it provides that no agency, instrumentality or political subdivision of this state shall interfere with the Oklahoma Tax Commission's regulation of, or a wholesaler's performance of, the sale, distribution, possession, handling or marketing of low-point beer on any premises of any retail dealer or permit holder under 37 OS Section 163.7. 37 OS § 163.7

Prohibits any agency or instrumentality from levying or collecting any tax, license fee, or charge upon the distribution, possession, or handling of low-point beer<sup>7</sup> except for sales tax, the general ad valorem tax, and the county low-point beer permit fee. 37 OS § 163.10

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<sup>4</sup> 37 OS § 163.7

<sup>5</sup> 37 OS § 163.11

<sup>6</sup> 37 OS § 163.10

<sup>7</sup> As defined in 37 OS § 163.2

Provides that except for the city/town and county occupational taxes provided for in 37 OS Sections 554.1<sup>8</sup> and 554.2<sup>9</sup>, and except as may be provided under Title 68 with respect to the Oklahoma Tax Commission, no other agency, instrumentality or political subdivision of this state shall be authorized to issue any license or permit allowing any licensee to engage in any activity covered by the Oklahoma Alcoholic Beverage Control Act anywhere within Oklahoma. 37 OS § 514

Provides that except for the city/town and county occupational taxes provided for in 37 OS Section 554.1 and 554.2, and except as may be provided under Title 68 with respect to the Oklahoma Tax Commission, no license or permit other than licenses as provided under the Oklahoma Alcoholic Beverage Control Act shall be required of any licensee by any agency, instrumentality or political subdivision of this state to engage in any activity covered by the Oklahoma Alcoholic Beverage Control Act anywhere within Oklahoma. It further provides that no agency, instrumentality or political subdivision of this state shall interfere with the ABLE Commission's regulation of, or a wholesaler's performance of, the sale, distribution, possession, handling or marketing of alcoholic beverages on any premises of any licensee as defined in 37 OS Section 506. 37 OS § 521

## **Business Activity Tax**

**Senate Bill 1436** - *Effective November 1, 2012*

Extends the Business Activity Tax through 2013 unless Senate Joint Resolution 52 is approved by a vote of the people and certified by the Election Board. If such approval and certification occurs, the Business Activity Tax will expire at the end of 2012 as scheduled under current law. 68 OS §§ 1218, 1219, 1222 and 1225

## **Cigarettes and Tobacco Products**

**House Bill 2576** - *Effective July 1, 2012*

Changes the due date for the cigarette tax reports required of licensed cigarette wholesalers from the 10<sup>th</sup> to the 20<sup>th</sup> day of the month for the previous calendar month. 68 OS § 317.5

Changes the due date for the report required of wholesalers of tobacco products from the 15<sup>th</sup> to the 20<sup>th</sup> of the month for the previous month. 68 OS § 413

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<sup>8</sup> Authorizes cities and towns to levy an annual occupational tax for the privilege of operating as a retailer, mixed beverage, beer and wine, caterer or special event licensee, bottle club, manufacturer, wholesale or Class B wholesaler, within their respective jurisdictions not to exceed the state license fee for such licensees.

<sup>9</sup> Authorizes counties to levy an annual occupational tax for the privilege of operating as a mixed beverage, beer and wine, caterer or special event licensee or as a bottle club, within their respective jurisdictions and not located in a city or town levy an occupation tax as provided in 37 OS Section 554.1, not to exceed the state license fee for such licensees.

**House Bill 2710 - Effective July 1, 2012**

Prohibits, with limited exemptions, 1) the use or possession of a cigarette rolling vending machine<sup>10</sup> for commercial purposes<sup>11</sup>; 2) the sale, resale, distribution, dispensing, or giving away to any other person in this state cigarettes produced by a cigarette rolling vending machine; or 3) making a cigarette rolling vending machine available for use by customers of a retail business to produce cigarettes.

This prohibition will not apply to cigarette manufacturers who have obtained a current federal Manufacturer of Tobacco Products permit issued by the Alcohol Tobacco and Trade Bureau to operate as a cigarette manufacturer or cigarette rolling vending machines in a location other than a retail business, which is exclusively for the personal use of an individual.

Also provides penalties for persons violating the stated prohibition to include 1) revocation or termination of any license, permit, appointment or commission under Article 3, 3A, 3B, 3C, 4 or 4A of Title 68 of the Oklahoma Statutes, 2) forfeiture and destruction of the cigarette rolling vending machine by the State after notice and hearing, and 3) imprisonment for not more than 90 days or a fine of not more than \$5,000 or a combination of both, in any action brought by the district attorney in whose district the cigarette rolling vending machine is located, or by the Attorney General.

68 OS § 380 (new law)

## **Miscellaneous**

### **Boat and Motor Registration Fees and Excise Tax**

**House Bill 3093 - Effective July 1, 2013**

Exempts canoes and paddleboats from the title and registration requirements of the Oklahoma Vessel and Motor Registration Act and the imposition of the vessel excise tax. Also defines a canoe as a light narrow boat with both ends sharp which is propelled by paddling and includes similar craft such as kayaks, and a paddleboat as a boat less than 8 feet in length designed to be propelled solely by human power through a belt, chain or gears. 63 OS § 4002

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10 Cigarette rolling vending machines means a machine or device into which loose tobacco and cigarette tubes are placed that is capable of producing cigarettes.

11 A cigarette rolling vending machine located in a retail business for use, not sale, shall be considered to be used for commercial purposes.

## **Fireworks License Fees**

### **Senate Bill 1943 - *Effective June 8, 2012***

Requires wholesalers, manufacturers, or distributors that sell retail fireworks licenses to deliver copies of these licenses to the Office of the State Fire Marshal every 31<sup>st</sup> of January and July, rather than the Oklahoma Tax Commission. 68 OS § 1625.1

References the State Fire Marshal's Office as the entity responsible for collecting fireworks license fees consistent with the passage of Senate Bill 844 [2011] which amended 68 OS Section 1625 by transferring that responsibility from the Oklahoma Tax Commission to the State Fire Marshal's Office effective May 1, 2012. 68 OS § 1626

Requires any individual or entity to have the appropriate Oklahoma license or permit to conduct an outdoor fireworks display on or after January 1, 2013. 68 OS § 1636

## **Telephone Surcharge**

### **House Bill 2576 - *Effective July 1, 2012***

Changes the due date for the telephone surcharge from 15 to 20 days following the end of each quarter. 63 OS § 2418

## **Vehicle Rental Tax**

### **House Bill 2647 - *Effective November 1, 2012***

Provides that the levy of vehicle rental tax does not apply to state government entities. 68 OS § 2110

## **Motor Vehicle**

### **House Bill 2242 - *Effective November 1, 2012***

Provides the commercial license fee of wrecker or tow vehicles shall be based on the gross weight of the wrecker or tow vehicle alone without any inclusion of weight for a vehicle towed by the wrecker or tow vehicle. 47 OS § 1133

### **House Bill 2575 - *Effective July 1, 2012***

Allows an insurer to go directly to a salvage or junk title in the insurance company's name, following payment of a loss, without having to first obtain a duplicate title in the insured's name. Additionally, the bill authorizes insurance companies to obtain a proper salvage title in their

name, should they encounter difficulty in obtaining the title from their insured following settlement of a total loss claim. 47 OS § 1105

**Senate Bill 1439** - *Effective July 1, 2012*

Provides that when an applicant for a certificate of title or salvage certificate presents to the Oklahoma Tax Commission proof that the applicant purchased or acquired an item at a public sale conducted pursuant to this section and the fact is attested to by the seizing agency, the Oklahoma Tax Commission shall issue the appropriate certificate of title upon receipt of the statutory fee and properly executed application for a certificate of title. 36 OS § 365 (new law)

**Senate Bill 1935** - *Effective May 8, 2012*

Creates an annual license fee of \$60 for each motor vehicle used for the purpose of transporting cotton modules from the point of production to the first point of delivery or cotton gin. The Oklahoma Tax Commission is directed to design appropriate license plates that shall be permanent in nature. 47 OS § 1134.4 (new law)

**Senate Bill 1983** - *Effective August 24, 2012*

Removes the ability for taxpayers to receive a waiver of delinquent vehicle registration penalties pursuant to specific conditions set forth in *OAC 710:60-3-37(b)* and changes the apportionment for increased motor vehicle registration penalties that was enacted in 2009. 47 OS §§ 1115, 1132 and 1151

## **Sales & Use Tax**

**House Bill 2510** - *Effective November 1, 2012*

Prohibits a person from claiming a sales tax exemption, granted an organization pursuant to 68 OS Section 1356 or 1357, in order to make a purchase exempt from sales tax for his/her personal use and further provides that any person who knowingly makes a purchase in violation thereof shall be guilty of a misdemeanor, subject to a fine equal to double the amount of sales tax involved and/or incarceration for not more than 60 days. Violators shall also be subject to an administrative fine of not more than \$500 which shall be deposited to the General Revenue Fund. 68 OS § 1356.2 (new law)

**House Bill 3093** - *Effective July 1, 2013*

Subjects the sales of canoes and paddleboats, as defined in 63 OS Section 4002, to sales tax. 68 OS § 1354

**Senate Bill 46** - *Effective August 24, 2012*

Amends subsection 34 by expanding the sales tax exemption for 100% disabled veterans to include sales to the surviving spouse of a deceased qualified veteran if the surviving spouse has not remarried. Sales qualifying for exemption are limited to \$1,000 per year for an un-remarried surviving spouse. 68 OS § 1357

**Senate Bill 1465** - *Effective May 9, 2012*

Provides a sales tax exemption for Oklahoma sales made to direct payment permit holders of tangible personal property intended solely for use in other states, but which is stored in Oklahoma pending shipment to other states or which is temporarily retained in Oklahoma for the purpose of fabrication, repair, testing, alteration, maintenance, or other service. 68 OS § 1364.1

Amends subsection 20 by expanding the sales tax exemption for sales of aircraft and aircraft parts occurring at a qualified maintenance aircraft facility to include, beginning July 1, 2012, sales of machinery, tools, supplies, equipment, and related tangible personal property and services used or consumed in the repair, remodeling or maintenance of aircraft, aircraft engines, or aircraft component parts which occur at a qualified aircraft maintenance facility. Further, the definition of qualified aircraft maintenance facility is expanded to include one or more component overhaul support buildings or structures in an area owned, leased or controlled by the air common carrier. 68 OS § 1357

## **Quality Jobs**

**Senate Bill 1235** - *Effective November 1, 2012*

Amends the Oklahoma Quality Jobs Program Act by deleting certain establishments that are classified in the North American Industrial Classification System (NAICS) Manual under a variety of Industry Group Numbers as eligible for the incentive. 68 OS § 3603

Provides that if an establishment files at least one claim with the Oklahoma Tax Commission but fails to file another claim within two years of the most recent claim, the Oklahoma Tax Commission may dismiss the establishment from the Quality Jobs program. 68 OS § 3606

**Senate Bill 1464** - *Effective August 24, 2012*

Amends the Oklahoma Quality Jobs Program Act by adding entities engaged in drilling oil and gas wells for others on a contract or fee basis as eligible for the incentive. This measure removes the current prohibition from employment related to drilling as being considered a new direct job for Quality Jobs purposes. 68 OS § 3603

# Withholding

## **House Bill 2576 - Effective July 1, 2012**

Reduces the return filing requirements for withholding tax remitters by requiring all remitters to file withholding tax reports quarterly. Due date for reports will be the 20<sup>th</sup> of the month following each calendar quarter. No change is made to the current statutory payment frequencies. 68 OS § 2385.3

*Note: In Fall 2012, the agency website will provide detailed filing and remittance procedures for withholding account holders, preparers/payroll providers, and software developers.*

Changes the date the late payment penalty is imposed for wage withholding. Penalty will be imposed when taxpayer fails to pay tax when due, and such failure is not corrected within 15 days after the tax becomes delinquent. Currently, penalty is imposed if not corrected on or before the last day of the month when due. 68 OS § 2385.6

Changes the date the late payment penalty is imposed for royalty withholding. Penalty will be imposed when taxpayer fails to pay tax when due, and such failure is not corrected within 15 days after the tax becomes delinquent. Currently, penalty is imposed if not corrected on or before the last day of the month when due. 68 OS § 2385.28

Changes the date the late payment penalty is imposed for pass-through withholding. Penalty will be imposed when taxpayer fails to pay tax when due, and such failure is not corrected within 15 days after the tax becomes delinquent. Currently, penalty is imposed if not corrected on or before the last day of the month when due. 68 OS § 2385.31

# Administrative

## **House Bill 2258 – Effective November 1, 2012**

Every contractor submitting a written bid on a public construction project shall provide, upon written request, proof of documentation required to be in their possession pursuant 68 OS Section 1701.1. Any contractor failing to provide proof of their employer identification numbers upon written request in a public construction project or any contractor performing work in this state as a resident or nonresident contractor without registration as required by 68 OS Section 1701.1 or any contractor that intentionally misclassifies individuals as independent contractors rather than employees shall be fined by the Oklahoma Tax Commission in an amount not to exceed 10% of the contractor's total bid. 68 OS § 1708 (new law)

Requires the Oklahoma Tax Commission, Oklahoma Workers' Compensation Court, Department of Labor, CompSource Oklahoma and Oklahoma Employment Security Commission to share information and coordinate investigative and enforcement efforts for the purpose of detecting those contractors who intentionally misclassify individuals as independent contractors rather than employees for the purpose of affecting procedures and payments related to withholding and social security, unemployment tax or workers' compensation premiums. 68 OS § 1709 (new law)

**House Bill 2576 - Effective July 1, 2012**

Grants the Oklahoma Tax Commission specific authority to request the District Court enter an immediate restraining order to those operating without a sales tax permit. Currently, the specific authority for an immediate temporary restraining order without a hearing in District Court is limited to those instances where the Oklahoma Tax Commission has canceled a sales tax permit. 68 OS § 212

Adds statutory authorization to make it unlawful to willfully and knowingly sell, purchase, install, transfer, or possess any automated sales suppression device or “zapper” software program. “Zapper” software is stored on a portable USB device that can be linked to the cash register system and the software can systematically modify the machine’s records to reduce the value of the day’s sales. The software only works with cash transactions, especially in businesses such as restaurants and convenience stores. Included in the penalty portion of the bill is an administrative fine along with forfeiture of sales tax permit for possession of the device. 68 OS § 212.1 (new law)

**Senate Bill 1019 - Effective November 1, 2012**

Includes a debt owed to a public housing authority operating under 63 OS Section 1062 in the claims that may be made against a state income tax refund. This measure does not apply to claims filed for a debt owed to a state agency for health care or medical services. 68 OS § 205.2

**Senate Bill 1471 - Effective November 1, 2012**

Requires the Oklahoma Tax Commission provide in an agreed electronic format to the Department of Human Services the amount withheld from an individual’s tax refund, the home address and social security number of the taxpayer. A claim filed by the Department of Human Services for the collection of child support and spousal support shall have priority over all others except the Tax Commission. 68 OS § 205.2

Repeals 68 OS § 205.3 which contains similar provisions

**Senate Bill 1984 - Effective November 1, 2012**

In addition to all other remedies provided by law for the collection of unpaid taxes, the Oklahoma Tax Commission may close the business of a noncompliant taxpayer, subject to the administrative and judicial appeal procedures provided in this measure, if the noncompliant taxpayer fails to remit tax due or file a report 3 times within any consecutive 24 period as required for sales taxes under the Oklahoma Sales Tax Code. 68 OS § 1368.3 (new law)