OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

PHONE (405) 521-3133
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August 22, 2011

RE: LR-11-088 (Use Tax Inquiry)

Dear

This is in response to your request for a waiver of interest and penalty associated with the delinquent consumer use tax owed by . Set forth is your position statement along with our response thereto.

Position Statement:

We consider our business to be eligible because our business makes regular purchases of tangible personal property outside the State of Oklahoma for our own use, storage or consumption in this State.

As well, we qualify for this relief because we are voluntarily filing delinquent use tax returns and paying the delinquent consumer use taxes reflected thereon.

While we do have a consumer use tax account, we are currently preparing to file a Direct Pay Permit application that we will use when the delinquent reports and payments have been made.

Finally, we are not excepted from the Consumer Compliance Initiative because, (A) we have not received notice of the commencement of an audit and, (B) we have not already paid or remitted the use taxes to the State.

Response:

Pursuant to 68 O.S. § 1407.4, the Oklahoma Tax Commission is authorized and directed to establish a Consumer Compliance Initiative for consumers whereby a taxpayer shall be entitled to a waiver of penalty, interest and other collection fees due if the taxpayer voluntarily files

delinquent tax returns and pays the taxes due during the initiative. Also, no assessment of use tax levied under the provisions of Section 1401 et seq. of Title 68 of the Oklahoma Statutes shall be made for more than one (1) year prior to the date the consumer registers with the Oklahoma Tax Commission to pay applicable use taxes under this initiative provided the relief granted by the Initiative is not available to a taxpayer with respect to any matter which the taxpayer received notice of the commencement of an audit and which the audit is not yet finally resolved including any related administrative and judicial processes; and use taxes already paid or remitted to the state.

The tenor of the statutory and accompanying administrative code provisions governing the Consumer Compliance Initiative indicates that only those persons not previously registered with the Oklahoma Tax Commission for collection and remittance of consumer use tax are eligible to avail themselves of the relief granted thereunder. Based upon Oklahoma Tax Commission records, was issued an Oklahoma consumer use tax account and corresponding number on August 18, 2004. Therefore, the does not qualify for the Oklahoma Consumer Compliance Initiative since it is currently registered in Oklahoma for consumer use tax purposes.

However, may seek consideration of the Oklahoma Tax Commission for a waiver of the penalties and interest associated with the delinquent consumer use taxes owed by pursuant to Section 220 of Title 68 of the Oklahoma Statutes.

To pursue a waiver of interest and penalty, please contact the Case Management Section, Account Maintenance Division of the Oklahoma Tax Commission at (405) 521-5717.

This response applies only to the circumstances discussed in your written request of July 14, 2011. Pursuant to Oklahoma Administrative Code 710:1-3-73(e), this Letter Ruling may be generally relied upon only by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and there has been no change in applicable law.

Sincerely,

OKLAHOMA TAX COMMISSION

Marc Morrison
Tax Policy Analyst

cc. Bill Winters