OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

October 15, 2013

Re: LR-13-73 (Income Tax Inquiry)

Dear

This is in response to your request for a determination of the taxability of a payment from the Public Safety Officers' Benefit program. Set forth are the facts presented in your correspondence of September 27, 2013, along with the question posed and our response thereto.

Facts

I have a client who lost his spouse in a tragic accident. She was a law officer and because of her death he received a payment from the Public Safety Officers' Benefit program. The paper work indicates because it is a death benefit it is not subject to federal tax.

Question

Since the payment is a death benefit and not subject to federal tax, would the payment also be exempt from Oklahoma income tax?

Response

Yes, payments from the Public Safety Officers' Benefit program are not considered taxable income, and therefore, are not subject to Oklahoma income tax. Oklahoma taxable income is defined in 68 O.S. §2353 (see enclosed).

This response applies only to the circumstances discussed in your request of September 27, 2013. 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.

Please be advised that the issuance of this ruling does not preclude the Oklahoma Tax Commission from conducting an audit or examination under 68 Okla. Stat. §206 of any report or return claiming a credit for the transactions outlined in this letter ruling. The Commission reserves the right to issue any assessment, correction, or adjustment authorized under 68 Okla. Stat. §221.

Sincerely,

OKLAHOMA TAX COMMISSION

Morgan E Lankford

Morgan E. Lankford
Tax Policy Analyst