

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 1. ADMINISTRATIVE OPERATIONS**

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 1. General Provisions

Part 3. Taxpayer Identification

710:1-3-6 [AMENDED]

710:1-3-7 [REVOKED]

Subchapter 5. Practice and Procedure

Part 1. General Provisions

710:1-5-1 [AMENDED]

Part 3. Description of Administrative Review and Hearings

710:1-5-10 [AMENDED]

710:1-5-11 [AMENDED]

710:1-5-17 [AMENDED]

Part 5. Administrative Proceedings Related to Tax Protests

710:1-5-21 [AMENDED]

710:1-5-25 [AMENDED]

710:1-5-42 [AMENDED]

Part 8. Settlement of Tax Liability

710:1-5-92 [AMENDED]

Part 10. Business Compliance Proceedings

710:1-5-117 [AMENDED]

Part 11. Disqualification of Persons Representing Taxpayers before the Oklahoma Tax Commission

710:1-5-200 [AMENDED]

SUMMARY:

Sections 710:1-3-6, 710:1-5-17, 710:1-5-25 and 710:1-5-117 have been amended, and 710:1-3-7 has been revoked to reflect a change in policy regarding the inclusion of a taxpayer's social security number on payment instruments and certain returns, applications and forms.

Section 710:1-5-42 has been amended to reflect the provisions of Senate Bill 864 [2013] which amended the appeal process for any taxpayer aggrieved by a final order of the Tax Commission assessing a tax or an additional tax or denial of a claim for refund. [68:225]

Sections 710:1-5-1, 710:1-5-10, 710:1-5-11, 710:1-5-21, 710:1-5-92, 710:1-5-117 and 710:1-5-200 have been amended, changing *Rules of Practice and Procedure before the Oklahoma Tax Commission* to *Rules of Practice and Procedure before the Office of the Administrative Law Judges* and also updating the internal cross-references.

In addition, other rule changes may be made to clarify policy, improve readability, correct scrivener's errors, remove obsolete language, update statutory citation, and insure accurate internal cross-references.

AUTHORITY:

68 O.S. § 203; Oklahoma Tax Commission

COMMENT PERIOD:

Persons wishing to make written submissions may do so by **4:30 p.m., February 20, 2015**, to the Oklahoma Tax Commission, Tax Policy and Research Division, 2501 North Lincoln Boulevard, Oklahoma City, Oklahoma 73194.

PUBLIC HEARING:

A public hearing will be held to provide an additional means by which suggestions may be offered on the content of the proposed rules. Time, date and place of the hearing are as follows: **February 23, 2015, 9:00 a.m.** in the 4th floor hearing room at the Oklahoma Tax Commission, 2501 Lincoln Blvd., Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date, by calling Emmily Hood at (405) 521-3133.

In order to facilitate entry into the building, those wishing to appear should contact Emmily Hood at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. Entry to the M.C. Connors' building must be made through the doors located on the east side of the building. In order to gain access to the 4th floor hearing room, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification. A name badge and floor access card will be issued once registration is completed.

Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:

Although nothing in this rulemaking action has been determined to adversely impact small business, the Oklahoma Tax Commission (OTC) requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed Rules.

COPIES OF PROPOSED RULES:

Interested persons may inspect proposed rules at the offices of the Oklahoma Tax Commission, Tax Policy Division, 5th floor, M. C. Connors Building, 2501 North Lincoln Boulevard, Oklahoma City, Oklahoma. Copies of proposed rules may be viewed online at www.tax.ok.gov.

RULE IMPACT STATEMENT:

A Rule Impact Statement will be prepared and will be available for review from and after January 30, 2015, from the same source listed above for obtaining copies of proposed rules.

CONTACT PERSON:

Lisa R. Haws, Agency Liaison. Phone: 405-521-3133; FAX: 405-522-0063; Email: lhaws@tax.ok.gov

CHAPTER 1. ADMINISTRATIVE OPERATIONS

SUBCHAPTER 1. GENERAL PROVISIONS

PART 3. TAXPAYER IDENTIFICATION

710:1-3-6. Use of Federal Employer Identification Numbers, ~~Social Security Numbers~~ and other identification numbers mandatory

All returns, applications, and forms required to be filed with the Oklahoma Tax Commission (Commission) in the administration of this State's tax laws shall bear the **Federal Employer's Identification Number(s)**, ~~the Social Security Account Number~~, the **Taxpayer Identification Number**, and/or other government issued identification number of the person, firm, or corporation filing the item and of all persons required by law or agency rule to be named or listed. ~~If more than one number has been issued to the person, firm, or corporation, then all numbers will be required.~~

710:1-3-7. Checks made payable to the Oklahoma Tax Commission; use of Federal Employer Identification Numbers, Social Security Numbers mandatory [REVOKED]

~~All checks made payable to the Oklahoma Tax Commission shall bear the **Federal Employer's Identification Number(s)** or the **Social Security Account Number** (or both) of the person, firm, or corporation issuing or drawing the check, or that of the person, firm, or corporation on whose behalf the check is given.~~

SUBCHAPTER 5. PRACTICE AND PROCEDURE

PART 1. GENERAL PROVISIONS

710:1-5-1. Purpose

The provisions of Subchapter 5 have been promulgated for the purpose of compliance with the Oklahoma Administrative Procedures Act, 75 O.S. §§302, 305, and 307. The various procedural processes, both formal and informal, by which a party aggrieved by any action of the Commission in the performance of its functions may seek a remedy are described in Subchapter 5.

- (1) The provisions of Part 3 are intended to **describe** the various procedures, both formal and informal, by which a taxpayer may seek redress of a grievance or seek to have a particular suggestion or complaint considered by the Commission, pursuant to the various remedial avenues provided by statute.
- (2) The provisions of Part 5 of this Subchapter **prescribe** the formal Rules of Practice and Procedure before the Oklahoma Tax Commission Office of the Administrative Law Judges, particularly with respect to protests of tax assessments and protests of denials of claims for refunds of taxes paid.
- (3) The provisions of Part 7 govern the procedures for the consideration and disposition of a request for an abatement or adjustment of an alleged erroneous tax assessment.
- (4) Finally, Part 9 of this Subchapter addresses procedures which govern the administrative proceedings dealing with the granting, suspension, and revocation of various permits and licenses which fall within the administrative purview of the Commission.

PART 3. DESCRIPTION OF ADMINISTRATIVE REVIEW AND HEARINGS

710:1-5-10. Tax protests and claims for refund

(a) A **protest** may be described as a formal, written challenge to a proposed tax assessment or to the denial of a claim for refund of taxes paid. The statutory requirements for perfecting a protest or claim for refund are governed, generally, by the provisions of the Uniform Tax Procedure Code (68 O.S. §§ 201 et seq.), except in the areas of Income Tax (Article 23 of Title 68 of the Oklahoma Statutes) and Estate Tax (Article 8 of Title 68 of the Oklahoma Statutes) which have additional, and in some instances, superseding, statutory requirements.

(b) There are several routes available, both formal and informal, to a taxpayer in objecting to an assessment. Prior to the filing of a protest, the issues may be resolved by further discussion with the assessing tax division. Challenged assessments or audits may be amended or adjusted by the tax Division involved, upon reasoned grounds and adequate documentation. Should issues remain unresolved after consulting with the assessing division, the taxpayer may file written protest with the taxing division. A protest must be "timely filed." That is, it must be filed on, or before, the statutory time provided for filing protests, to insure that the protestant-taxpayer preserves his legal rights to a full hearing of the matter and a route for appeal if the disposition of the protest is not resolved in his favor. In the absence of a formal written extension of time within which to file a protest, **proposed assessments which are not protested within the time prescribed by statute are considered final.** Any finally assessed tax in such a case which is paid to or collected by the Tax Commission is not subject to a claim for refund or hearing thereon, to the extent provided in 68 O.S. § 227(f). Thus, a taxpayer who receives a notice of proposed assessment of tax from the Tax Commission should not assume that it can be challenged later by way of a claim for refund, if a protest of the proposed assessment is not timely filed and the proposed assessment then becomes final. However, a taxpayer who fails to file a timely protest may, within one (1) year of the date the assessment becomes final, request the Tax Commission to adjust or abate the assessment pursuant to 68 O.S. § 221(e) and the provisions of Part 7 of this Subchapter.

(c) The following is a brief description of a typical protest that would take place within the framework of the Oklahoma Tax Commission administrative proceedings process.

(1) Initially, an audit is conducted by one of the various taxing Divisions of the Oklahoma Tax Commission pursuant to 68 O.S. § 221(a). Thereafter, a proposed assessment is issued to the taxpayer. If, in fact, the taxpayer disagrees with the proposed assessment, a protest may be filed, generally within sixty (60) days of the date of the assessment, pursuant to the provisions of 68 O.S. § 221(c).

(2) Except for the initial filing of a protest, which may be made with the taxing division, with the Office of the General Counsel, or with the office of the Administrative Law Judges, the office of the Administrative Law Judges serves as the "Court Clerk" for the administrative hearing process. The Administrative Law Judges are appointed by the Commissioners of the Oklahoma Tax Commission and act independently of the taxing Divisions and the Office of the General Counsel.

(3) Once a protest is received by the taxing Division, the Division will generally review the proposed assessment to determine whether further adjustments are appropriate. Additional discussion between the taxpayer and the Division may be requested in this regard. If issues still remain unresolved at the conclusion of this process, the protest is forwarded to the Administrative Law Judges' Office, where the protest is docketed and a Pre-Hearing Conference is scheduled between the taxpayer, the General Counsel's Office attorney who represents the taxing Division and an Administrative Law Judge.

(4) At this time, a case may be resolved through discussion and negotiation with the staff

attorney and the protest or claim is formally withdrawn from the docket, at the request of the parties. This informal resolution may be described as either a withdrawn assessment or a withdrawn protest, depending upon the manner in which the issues were resolved.

(5) Generally, the manner in which a case is to be submitted is decided by the parties at the Pre-Hearing Conference. Other matters decided at this conference are the legal issues of the case and the manner of evidence or witnesses (or both) to be presented at any hearing. Taxpayers are urged to respond to letters; appear or make alternate arrangements at scheduled pre-hearing conferences and hearings; file required briefs or position letters in a timely fashion; and in all respects pursue their legal rights diligently.

(6) Following the Pre-Hearing Conference, and assuming the case is not resolved, it is set for hearing. The Administrative Law Judge will preside at the hearing, wherein testimony and exhibits are received and a record is made. After consideration of the merits, the Administrative Law Judge will issue Findings, Conclusions and Recommendations.

(7) Following the issuance of the Findings by the Administrative Law Judge, the Commissioners may either adopt the Finding, or modify it, in part, or in whole. If the taxpayer has requested an en banc hearing, the Commission may grant it at this time. Once the Order of the Commission is issued, the Taxpayer has thirty (30) days within which to file an appeal with the Oklahoma Supreme Court.

(8) Detailed procedural rules governing a tax **protest** may be found in 710:1-5-21 through ~~710:1-5-48~~ 710:1-5-49, which set out rules of Practice and Procedure before the ~~Commission~~ Office of the Administrative Law Judges.

710:1-5-11. Petitions for abatement

(a) A **petition or request for abatement or adjustment** of a tax assessment is a procedure by which a taxpayer may request relief from an assessment which has become **final**, but which the taxpayer may show, by a preponderance of the evidence, that the assessment contested was clearly erroneous. The determination of such a petition or request is within the sole discretion of the Commission pursuant to the provisions of 68 O.S. § 221(e) and is not subject to appeal.

(b) The procedures for the filing, consideration, and disposition of **petitions for abatement or adjustment of a tax assessment** are set out in 710:1-5-70 through 710:1-5-78.

(c) Procedures governing an abatement or adjustment request are exclusive and must be clearly distinguished from the procedures required for filing a timely protest of a proposed tax assessment or a protest of a denial of a claim for refund of taxes. Tax **protest procedure** is governed by the provisions of 710:1-5-21 through ~~710:1-5-48~~ 710:1-5-49, which set out general rules of Practice and Procedure before the ~~Commission~~ Office of the Administrative Law Judges.

710:1-5-17. Petitions for declaratory rulings

(a) **General provisions.** The Commission or its duly authorized agent may issue declaratory rulings, as to the applicability of any **rule** or principle of law embodied in a precedential **decision** of the Commission, which is requested by or on behalf of a person directly affected thereby, subject to the terms and conditions set forth in this Section.

(b) **Form of petition; where to file.** A declaratory ruling petition must be made in writing and sent in duplicate to the Secretary-Member, Oklahoma Tax Commission, 2501 N. Lincoln Boulevard, Oklahoma City, Oklahoma 73194.

(c) **Contents of a petition for a declaratory ruling.** A declaratory ruling petition must specifically state:

(1) That a "declaratory ruling is requested pursuant to 710:1-5-17";

- (2) The petitioner's
 - (A) Name (the name of the person, partnership, corporation or entity to whom the facts presented in the petition apply);
 - (B) Address and phone number;
 - (C) ~~Social Security or federal~~ Federal identification number, if applicable; and
 - (D) Appropriate OTC license, registration or identification number, where applicable.
 - (3) The type of tax, fee, bond, registration, license, or permit at issue;
 - (4) The issue(s) on which a declaratory ruling is requested, stated clearly and concisely;
 - (5) A complete, clear and concise statement of all relevant facts on which the declaratory ruling is requested;
 - (6) The petitioner's desired result and the legal basis for that result, including reference to the applicable statutes, rules, regulations, and case law;
 - (7) Whether the issue, as it regards the petitioner, is presently under investigation or audit by the Commission or any of its agents. The term investigation or audit includes, but is not limited to, an inquiry, audit, refund, assessment, suspension or revocation proceeding by the Commission; and
 - (8) Whether the petitioner is presently pursuing any protest, litigation or negotiation on the issue with the Commission or any of its Divisions, as well as the name of any other person, partnership, corporation or entity whom the petitioner or a duly authorized representative knows is involved with the identical issue pending before or with the Commission.
- (d) **Petition must bear authorized signature.** A petition for a declaratory ruling must be signed by the petitioner or an authorized agent of the petitioner.
- (e) **Proposed draft may be offered.** The petitioner may provide a **draft** ruling for the Commission's consideration.
- (f) **Commission may require additional information.** The Commission or its authorized representative may request additional information from the petitioner as deemed necessary to issue a declaratory ruling. Failure to provide the requested information shall result in denial of the petition to issue the declaratory ruling.
- (g) **Effect of a declaratory ruling.** A declaratory ruling shall have the following effect:
- (1) The declaratory ruling shall apply only to the particular fact situation stated in the declaratory ruling petition;
 - (2) The declaratory ruling shall apply only to the petitioner;
 - (3) The declaratory ruling shall bind the Commission, its duly authorized agents and their successors only prospectively;
 - (4) The declaratory ruling shall bind the Commission, its duly authorized agents and their successors as to transactions of the petitioner that occur within three (3) years after the date of the issuance of the declaratory ruling; and
 - (5) The declaratory ruling may be revoked, altered, or amended by the Commission at any time.
- (h) **Exceptions to binding effect of declaratory ruling.** The declaratory ruling shall cease to be binding if:
- (1) A pertinent change is made in the applicable law by the Legislature;
 - (2) A pertinent change is made in the Commission's rules;
 - (3) A pertinent change in the interpretation of the law is made by a court of law or by an administrative tribunal; or
 - (4) The actual facts are determined to be materially different from the facts set out in the petitioner's declaratory ruling petition.
- (i) **Issuance of a declaratory ruling.** The Commission will make a good faith effort to issue a

declaratory ruling within ninety (90) days from date of receipt of a complete and proper petition unless, in the Commission's discretion, the issue is of such complexity or novelty that additional time is required.

(j) **Contents of a declaratory ruling.** A written response from the Commission or from any employee or agent of the Commission to an inquiry from a taxpayer may not be construed to be a declaratory ruling unless made in conformity with this Subsection. A declaratory ruling must contain:

- (1) A statement that: "This is a declaratory ruling issued by the Oklahoma Tax Commission pursuant to 75 O.S. 1991, § 307;" and
- (2) The signature of the Commission or any person duly authorized to issue declaratory rulings on its behalf.

(k) **Denial of a petition for declaratory ruling.** The Commission, in its discretion, may deny a petition for declaratory ruling for good cause. In this instance, the Commission, in a letter, will indicate the reason(s) for refusing to issue the declaratory ruling. Good cause includes, but is not limited to, the following:

- (1) The petition does not substantially comply with the information required by this section;
- (2) The petition involves hypothetical situations or alternative plans;
- (3) The petitioner requests the Commission to interpret or apply a statute, or requests a determination as to whether a statute is constitutional under the Oklahoma Constitution or the United States Constitution;
- (4) The facts or issue(s) presented in the petition are unclear, overbroad, insufficient or otherwise inappropriate as a basis upon which to issue the declaratory ruling;
- (5) The issue about which the declaratory ruling is requested is primarily one of fact;
- (6) The issue is presently being considered in a rulemaking proceeding, protest proceeding or other agency or judicial proceeding that may definitively resolve the issue;
- (7) The issue cannot be reasonably resolved prior to the issuance of rules;
- (8) The petitioner is under investigation or audit relating to that issue, or the issue is the subject of investigation, audit, administrative proceeding or litigation;
- (9) The issue relates to the application of the law to members of a business, trade, professional or industrial association or other similar group(s); or
- (10) The petitioner is not identified or is anonymous.

(l) **Withdrawal of a petition for declaratory ruling.** The petitioner may withdraw the petition for a declaratory ruling, in writing, prior to the issuance of the declaratory ruling.

(m) **Response when declaratory ruling inappropriate.** When a declaratory ruling petition requests the Commission to interpret or apply a statute or case law to a specific set of facts, the Commission will issue a letter ruling, as described in *OAC 710:1-3-73*, instead of a declaratory ruling.

PART 5. ADMINISTRATIVE PROCEEDINGS RELATED TO TAX PROTESTS

710:1-5-21. Intent, scope and construction of rules

The Rules of Practice and Procedure before the ~~Oklahoma Tax Commission~~ Office of the Administrative Law Judges set out in this Part shall govern all contested proceedings before the Oklahoma Tax Commission or its delegated Administrative Law Judge. These Rules shall be given the most reasonable meaning, taken in their total context, and will be construed to secure due process in the proper resolution of every controversy. They shall not be construed to limit legal rights or obligations of any party.

710:1-5-25. Content of protests and applications for hearing

Protests and applications for hearing shall be filed and signed by the taxpayer, or an authorized representative, and shall set out therein:

- (1) The name, address and ~~social security number or~~ employer's identification number, if applicable;
- (2) A statement of the amount of the deficiency as determined by the Division in the proposed assessment, the nature of the tax and the amount thereof in controversy;
- (3) A clear and concise assignment of each error alleged to have been committed;
- (4) The argument and legal authority upon which each assignment of error is made; provided, that the applicant shall not be bound or restricted in such hearing, or on appeal, to the arguments and legal authorities contained and cited in said applications;
- (5) A statement of the relief sought by the taxpayer;
- (6) A verification by the taxpayer or his duly authorized agent that the statements and facts contained therein are true; and
- (7) In a refund claim, an assertion as to whether the basis for the claim request is due to a mistake of law or a mistake of fact with a brief statement of the mistake.

710:1-5-42. Appeals to the ~~Supreme Court of Oklahoma~~ from orders of the Oklahoma Tax Commission

(a) If a taxpayer is aggrieved by any order, ruling, or finding ~~the order~~ of the Tax Commission, ~~he~~ the taxpayer may appeal therefrom directly to the Oklahoma Supreme Court. The appeal must be perfected within thirty (30) days of the mailing of the order by filing a petition in error with the clerk of the Supreme Court of the State of Oklahoma and by filing a designation of the record with the Secretary of the Tax Commission at the same time the petition in error is filed.

(b) In lieu of an appeal to the Supreme Court, any taxpayer aggrieved by a final order of the Tax Commission assessing a tax or an additional tax or denial of a claim for refund may opt to file an appeal for a trial de novo in the district court of Oklahoma County or the county in which the taxpayer resides. An appeal for trial de novo in district court must be filed in the district court within thirty (30) days of the mailing of the Tax Commission order. A district court order resulting from such a trial shall be appealable directly to the Supreme Court of Oklahoma by either the taxpayer or the Tax Commission. Such appeal shall be taken in the manner and time provided by law for appeal to the Supreme Court from the district court in civil actions. The provisions of this subsection shall be applicable for tax periods beginning after January 1, 2014. Provided, if the order applies to multiple tax periods which begin before and after January 1, 2014, the appeal provided by this subsection shall be available to the aggrieved taxpayer.

PART 8. SETTLEMENT OF TAX LIABILITY

710:1-5-92. Exclusivity of request for settlement of tax liability

Procedures governing settlement of final tax liabilities, pursuant to this Part, are exclusive and must be clearly distinguished from procedures required for the filing of a timely protest of a proposed tax assessment or a protest of a denial of a claim for refund of taxes as set out in 710:1-5-21 through 710:1-5-48 ~~710:1-5-49~~. The procedures for the filing, consideration, and disposition of **petitions for abatement or adjustment of a tax assessment** pursuant to the provisions of 68 O.S. § 221(e) are set out in 710:1-5-70 through 710:1-5-78. Procedures for settlement of disputed, unliquidated tax claims or assessments are set out in 710:1-5-13.

PART 10. BUSINESS COMPLIANCE PROCEEDINGS

710:1-5-117. Hearing request by noncompliant taxpayer

(a) **Contents and form of protest and request for hearing.** The protest and request for hearing must be made in writing, signed by the taxpayer or an authorized representative, and should outline therein:

- (1) Taxpayer's name, address and ~~social security number~~ or employer's identification number, if applicable;
- (2) Taxpayer's sales tax permit or other identification number issued by the Tax Commission;
- (3) The sales tax reporting periods at issue; and
- (4) That an administrative hearing is requested including the manner in which the taxpayer desires the hearing to be held whether in person, by telephone, upon written documents furnished by the noncompliant taxpayer, or upon written documents and evidence produced by the noncompliant taxpayer at hearing.

(b) **Rule applicability.** The tax protest procedure outlined in 710:1-5-21 through ~~710:1-5-48~~ 710:1-5-49 is not applicable to the business closure protest proceedings which are solely governed by the provisions of 710:1-5-117 through 710:1-5-121.

PART 11. DISQUALIFICATION OF PERSONS REPRESENTING TAXPAYERS BEFORE THE OKLAHOMA TAX COMMISSION

710:1-5-200. Disqualification procedure

(a) **General provisions.** Any person shown to be in violation of the provisions of Section 236 of Title 68 of the Oklahoma Statutes, may, after notice and an opportunity for hearing, be disqualified from practice before the Oklahoma Tax Commission.

(b) **Complaint and initial investigation.** The Commission may, upon its own initiative, or upon receiving a written complaint filed with the Secretary-Member, cause the complaint to be investigated and a determination made as to whether good cause exists for initiating a disqualification proceeding. If it is determined that no violation has occurred, or if there is insufficient evidence to support the allegation, the investigation will be terminated. If a determination is made that good cause exists for initiating a disqualification proceeding, such proceeding will be promptly commenced.

(c) **Commencement of proceeding.** Upon the initiation of a disqualification proceeding, the matter shall be set for hearing before a hearing examiner or an Administrative Law Judge assigned by the Commission. The respondent who is the subject of the proceeding, and the Office of the General Counsel who shall prosecute the matter, shall be provided notice of the hearing, at least thirty (30) days prior to the hearing date.

(d) **Notice.** Notice to respondent shall be made by certified mail, return receipt requested, postage prepaid, to the last known address, and shall contain a summary of the complaint, the name of the Administrative Law Judge or hearing examiner assigned to the matter, and the time and date of the hearing.

(e) **Conduct of hearing.** The hearing shall be public except where prohibited by confidentiality imposed by law, and shall be conducted in conformity with ~~Commission~~ the Rules on of Practice and Procedure before the Office of the Administrative Law Judges (OAC 710:1-5-20 through ~~710:1-5-48~~ 710:1-5-49).

(f) **Burden of proof.** The Office of the General Counsel shall have the burden of establishing, by a preponderance of the evidence, that a violation of Section 236 has occurred such that respondent should be disqualified from practice before the Commission. Notice of the final disposition of the disqualification proceedings will be provided respondent.

(g) **Scope of action.** The respondent may be found qualified to practice and the proceeding dismissed on the merits; or the respondent may be disqualified from practice before the Commission for a stated period of time, or indefinitely. The Commission may provide notice of the determination of the disqualification proceeding to other agencies, boards, or Commissions who exercise jurisdiction or regulatory authority over the respondent or the activities involved in the violation. Nothing in this Section shall preclude the Commission from seeking any other remedies or legal proceedings available at law to enforce its orders, rules, or the provisions of 68 O.S. § 236.

OKLAHOMA TAX COMMISSION
Rule Impact Statement
CHAPTER 1 Administrative Operations

RULE IMPACT STATEMENT: This statement is provided in conjunction with the following rulemaking action(s):

- 710:1-5-1. Purpose [AMENDED]
- 710:1-5-10. Tax protests and claims for refund [AMENDED]
- 710:1-5-11. Petitions for abatement [AMENDED]
- 710:1-5-21. Intent, scope and construction of rules [AMENDED]
- 710:1-5-92. Exclusivity of request for settlement of tax liability [AMENDED]
- 710:1-5-117. Hearing request by noncompliant taxpayer [AMENDED]
- 710:1-5-200. Disqualification procedure [AMENDED]

- (a.) **Purpose of the Proposed Rule:** The purpose of the rulemaking action is to change *Rules of Practice and Procedure before the Oklahoma Tax Commission* to *Rules of Practice and Procedure before the Office of the Administrative Law Judges* and also updating the internal cross-references.
- (b.) **Classes Affected:** All taxpayers.
- (c.) **Persons Benefited:** All taxpayers.
- (d.) **Probable Economic Impact:**
1. **On Affected Classes:** No economic impact based on this rule change is anticipated
 2. **On Political Subdivision:** The amendment is not expected to adversely impact other political subdivisions of the State.
 3. **Fees:** The rulemaking action does not levy, implement, or increase an existing fee.
- (e.) **Probable Costs to the Agency:** Costs to promulgate and enforce the proposed rule will be funded through normal agency budget. No measurable impact on State revenues is anticipated.
- (f.) **Will the Rule Impact Political Subdivisions?** No economic impact on or need for cooperation from political subdivisions is anticipated.
- (g.) **Small Business Impact:** After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rule will have no adverse impact upon Small Business.
- (h.) **Alternative Methods and Costs of Compliance:** There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of this proposed rule. No formalized compliance cost minimization measures have been pursued.
- (i.) **Public Health/Safety/Environmental Concerns:** The proposed rules are not anticipated to have any effect on public health, safety, or the environment—either beneficial or otherwise.
- (j.) **Effect of Non-Implementation on Environment:** If the proposed rules are not promulgated, no effect on the public health, safety, or the environment will result.
- (k.) **Date:** December 17, 2014 **Date Modified:** N/A
- (l.) **Prepared By:** Lisa Haws **Phone Number:** 522-3133

OKLAHOMA TAX COMMISSION
Rule Impact Statement
CHAPTER 1 Administrative Operations

RULE IMPACT STATEMENT: This statement is provided in conjunction with the following rulemaking action(s):

710:1-3-6. Use of Federal Employer Identification Numbers, Social Security Numbers and other identification numbers mandatory [AMENDED]

710:1-3-7. Checks made payable to the Oklahoma Tax Commission; use of Federal Employer Identification Numbers, Social Security Numbers mandatory [REVOKED]

710:1-5-17. Petitions for declaratory rulings [AMENDED]

710:1-5-25. Content of protests and applications for hearing [AMENDED]

710:1-5-117. Hearing request by noncompliant taxpayer [AMENDED]

- (a.) **Purpose of the Proposed Rule:** The purpose of the rulemaking action is to reflect a change in policy regarding the inclusion of a taxpayer's social security number on payment instruments and certain returns, applications and forms.
- (b.) **Classes Affected:** All taxpayers.
- (c.) **Persons Benefited:** All taxpayers.
- (d.) **Probable Economic Impact:**
1. **On Affected Classes:** No economic impact based on this rule change is anticipated
 2. **On Political Subdivision:** The amendment is not expected to adversely impact other political subdivisions of the State.
 3. **Fees:** The rulemaking action does not levy, implement, or increase an existing fee.
- (e.) **Probable Costs to the Agency:** Costs to promulgate and enforce the proposed rule will be funded through normal agency budget. No measurable impact on State revenues is anticipated.
- (f.) **Will the Rule Impact Political Subdivisions?** No economic impact on or need for cooperation from political subdivisions is anticipated.
- (g.) **Small Business Impact:** After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rule will have no adverse impact upon Small Business.
- (h.) **Alternative Methods and Costs of Compliance:** There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of this proposed rule. No formalized compliance cost minimization measures have been pursued.
- (i.) **Public Health/Safety/Environmental Concerns:** The proposed rules are not anticipated to have any effect on public health, safety, or the environment --either beneficial or otherwise.
- (j.) **Effect of Non-Implementation on Environment:** If the proposed rules are not promulgated, no effect on the public health, safety, or the environment will result.
- (k.) **Date:** December 17, 2014 **Date Modified:** N/A
- (l.) **Prepared By:** Lisa Haws **Phone Number:** 522-3133