

Effective July 1, 2017: HB 2343 & HB 2367

HB 2343: Business Closure

The Oklahoma Tax Commission (OTC) may close a noncompliant taxpayer's business if the noncompliant taxpayer fails to remit tax due or file a report three times within any consecutive twenty-four-month period.

Any vendor operating under a sales tax permit who is delinquent in the filing or payment of any business tax (sales, use, withholding, waste tire, mixed beverage, 9-1-1 Telephone fees, vehicle rental and lodging) three times within a consecutive twenty-four (24) month period is subject to business closure. It should be noted a vendor will not be deemed noncompliant for nonpayment of income tax.

The OTC will issue notice to a vendor who, after being issued notice after a second delinquency, fails to report or pay taxes for a third month within a twenty-four (24) month period advising the vendor that the business will be closed within five (5) business days from the delivery or attempted delivery of the notice unless the vendor exercises one of the following options:

1. Provides proof that the delinquent reports and/or payments have been previously filed and/or paid.
2. Files all outstanding tax reports and remits the delinquent tax, including interest, penalty, and fees.
3. Enters into an approved installment agreement to satisfy the delinquent tax, interest, penalty and fees.

The notice will also advise that the vendor may object to the business closure by filing a written protest and request a hearing within five (5) business days from the delivery or attempted delivery of the notice.

If the vendor does not exercise any of the options available to avoid business closure, or comply with the terms of an installment payment agreement, or seek administrative or judicial review, or the closure decision is upheld after administrative or judicial review, the OTC shall affix written notice on all entrances to the business that:

1. Identifies the business as being subject to a business closure order; and
2. States the business is prohibited from further operation.

It is unlawful for a business to continue operation after an order of closure. Any business operating after an order of closure is subject to being enjoined by the District Court and other legal action, as appropriate.

HB 2367: Loss of Discount

The 1% discount offered to taxpayers who timely filed their sales tax, use tax and lodging tax returns and remitted the payment is no longer allowed.

For complete copies of the proposed rules relating to business closure, please see the Oklahoma Tax Commission website at www.tax.ok.gov.