

**BILL SUMMARY**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2201</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>6780</b>
<b>Author:</b>	<b>Rep. Boatman</b>
<b>Date:</b>	<b>2/27/2019</b>
<b>Impact:</b>	<b>Tax Commission:</b>
<b>Unknown Increase in Sales/Use Tax Collections</b>	

**Research Analysis**

HB2201, as introduced, modifies numerous provisions relating to tax administration; requires remote sellers to collect and remit state sales tax if their Oklahoma taxable sales meets a \$100,000 sales threshold; and extends the sunset date of funding for payments to host communities qualifying under the Oklahoma Quality Events Incentive Act.

The measure:

- Clarifies that payment of alcohol excise tax is to be remitted by the person first possessing, selling, using or distributing an alcoholic beverage;
- Changes the monthly due date for reporting alcohol sales and purchases to the Oklahoma Tax Commission (OTC) from the tenth day of the month to the twentieth day;
- Changes the due date for remitting funds recovered by a debt collection agency contracting with the OTC from five days to a reasonable period of time;
- Changes the monthly due date for motor fuel excise tax payment by a licensed bonded importer from the twenty-fifth day of the month to the twentieth day;
- Changes the monthly due date for motor fuel tax paid on motor fuel removed by a licensed supplier from a terminal or refinery from the twenty-seventh day of the month to the twentieth;
- Changes the qualifier for mandatory participation in the OTC electronic fund transfer and data interchange program by basing the sales tax threshold on the preceding 12 month period rather than the previous fiscal year;
- Requiring remote sellers with \$100,000 or more in aggregate sales in the state to collect and remit state sales tax;
- Extending the sunset date of funding (\$3 million per fiscal year) for payments provided through the Oklahoma Quality Events Incentive Act until June 30, 2021; and
- Repeals a section of law that requires the OTC to provide informational publications to certain entities every time a rule, regulation or statute is changed that affects motor vehicle titles and inspections.

Prepared By: Quyen Do

**Fiscal Analysis**

HB 2201 proposes to amend 37A O.S. §5-101 and §5-113 clarifying tax remittance responsibilities for alcohol excise tax and modifying the date of the month in which reports are due. Additionally, HB 2201 proposes to amend 47 O.S. §1111(5) to correct the reference to the wrong paragraph in defining “vehicle”; 68 O.S. 255, which relates to Tax Commission contracts with debt collection agencies; 68 O.S. §§500.18 and 500.20 to change due dates for remittance of motor fuel taxes; 68 O.S. §1365; modifying the schedule for remitting sales tax for certain taxpayers. Further, HB 2201 proposes to amend 68 O.S. §1392 to raise the annual taxable sales threshold which triggers the requirement for remote sellers to collect and remit Oklahoma tax from \$10,000 to \$100,000 and other changes to the tax code to reflect legislative changes from previous legislative sessions.

The Commission indicates the measure may provide an increase, presently unknown, to sales and use tax collections.

Prepared By: Mark Tygret

### **Other Considerations**

None.