

Fiscal Impact
1st Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

SB 511
HASB
Sen. Bice
05/07/2019

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: May 2, 2019

BILL NUMBER: SB 511

STATUS AND DATE OF BILL: Engrossed House Amendment to Engrossed Senate Bill 4/22/2019

AUTHORS: House Fetgatter Senate Bice

TAX TYPE (S): Alcohol **SUBJECT:** Administrative

PROPOSAL: Amendatory

SB 511 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. Amending 68 O.S. §234 related to the Tax Commission receiving notice of any action affecting right of possession of intangible personal property, such as judgments or settlements, to determine its lien upon the property. Also, amends 68 O.S. § 255, which relates to Tax Commission contracts with debt collection agencies and 68 O.S. § 1365, modifying the schedule for remitting sales tax for certain taxpayers.

EFFECTIVE DATE: November 1, 2019

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 20: -0-

May 2, 2019
DATE

Rick Miller
DIVISION DIRECTOR

msm

5-3-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

5-6-19
DATE

Jonny M. T.
FOR THE COMMISSION

The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT – SB 511 - [HASB] Prepared May 2, 2019

Section 1 of SB 511 proposes to amend 37A § 5-101 by clarifying tax remittance responsibilities for alcohol excise tax by requiring the excise tax to be remitted by the person first possessing, selling, using or distributing alcoholic beverages into this state, or in the case of direct sales to the ultimate consumer, by the direct seller thereof.

Section 2 proposes to amend § 5-113 of Title 37A by modifying the date from the current, tenth day of each month, to the twentieth day of each month in which certain alcoholic beverage reports are due.

Section 3 amends 68 O.S. § 234 to clarify that Tax Commission liens for unpaid taxes, interest and penalties attach to intangible personal property, such as personal injury lump sum judgments and settlements. The relevant amendment includes that in any action affecting the ownership or right of possession of intangible personal property, such as a settlement or court judgment, the Tax Commission shall be given notice of such action for the purpose of determining its lien upon the property involved therein in cases where notice of the lien of the state has been filed and indexed as provided in Sections 230 and 231 of Title 68.

Section 4 amends 68 O.S. § 255(G) by removing the five day time period in which funds collected by an Outside Collection Agency shall be remitted to the Tax Commission to “a reasonable period of time” from the date of collection from a taxpayer. This change will help avoid the processing of insufficient fund checks by the Tax Commission by allowing more time for funds remitted by taxpayers to have cleared their financial institutions before being remitted from the collection agency to the Tax Commission.

Section 5 amends 68 O.S. § 1365 related to when sales tax is due and reported. Under current law every person owing an average of \$2,500.00 or more per month in total sales taxes in the previous fiscal year shall remit the tax due and shall participate in the Tax Commission’s electronic funds transfer and electronic data interchange program. The proposed measure changes the time to determine the average of \$2,500.00 or more per month in total sales from the “previous fiscal year” to “immediately preceding twelve-month period”. The proposed change increases the Tax Commission’s efficiency to manage the evaluation process and change the taxpayer’s remittance frequency.

These proposals have no expected change in state revenues.