

1 ENGROSSED HOUSE  
2 BILL NO. 3458

By: Moore of the House

3 and

4 Jech of the Senate

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6  
7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2021, Section 205, as amended by Section 9,  
9 Chapter 354, O.S.L. 2022 (68 O.S. Supp. 2023, Section  
10 205), which relates to confidential information and  
11 the Oklahoma Tax Commission; modifying provisions  
12 related to confidential information; authorizing  
13 release of certain information to district attorneys  
14 and to the Attorney General; authorizing release of  
15 information to the Oklahoma Medical Marijuana  
16 Authority; and declaring an emergency.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY 68 O.S. 2021, Section 205, as  
19 amended by Section 9, Chapter 354, O.S.L. 2022 (68 O.S. Supp. 2023,  
20 Section 205), is amended to read as follows:

21 Section 205. A. The records and files of the Oklahoma Tax  
22 Commission concerning the administration of the Uniform Tax  
23 Procedure Code or of any state tax law shall be considered  
24 confidential and privileged, except as otherwise provided for by  
law, and neither the Tax Commission nor any employee engaged in the  
administration of the Tax Commission or charged with the custody of

1 any such records or files nor any person who may have secured  
2 information from the Tax Commission shall disclose any information  
3 obtained from the records or files or from any examination or  
4 inspection of the premises or property of any person.

5 B. Except as provided in paragraph 26 of subsection C of this  
6 section, neither the Tax Commission nor any employee engaged in the  
7 administration of the Tax Commission or charged with the custody of  
8 any such records or files shall be required by any court of this  
9 state to produce any of the records or files for the inspection of  
10 any person or for use in any action or proceeding, except when the  
11 records or files or the facts shown thereby are directly involved in  
12 an action or proceeding pursuant to the provisions of the Uniform  
13 Tax Procedure Code or of the state tax law, or when the  
14 determination of the action or proceeding will affect the validity  
15 or the amount of the claim of the state pursuant to any state tax  
16 law, or when the information contained in the records or files  
17 constitutes evidence of violation of the provisions of the Uniform  
18 Tax Procedure Code or of any state tax law.

19 C. The provisions of this section shall not prevent the Tax  
20 Commission, or with respect to the Oklahoma Department of Commerce  
21 in administration of the Oklahoma Rural Jobs Act as provided by  
22 paragraph 22 of this subsection, from disclosing the following  
23 information and no liability whatsoever, civil or criminal, shall  
24 attach to any member of the Tax Commission, or the Oklahoma

1 Department of Commerce as applicable, or any employee thereof for  
2 any error or omission in the disclosure of such information:

3 1. The delivery to a taxpayer or a duly authorized  
4 representative of the taxpayer of a copy of any report or any other  
5 paper filed by the taxpayer pursuant to the provisions of the  
6 Uniform Tax Procedure Code or of any state tax law;

7 2. The exchange of information that is not protected by the  
8 federal Privacy Protection Act, 42 U.S.C., Section 2000aa et seq.,  
9 pursuant to reciprocal agreements entered into by the Tax Commission  
10 and other state agencies or agencies of the federal government;

11 3. The publication of statistics so classified as to prevent  
12 the identification of a particular report and the items thereof;

13 4. The examination of records and files by the State Auditor  
14 and Inspector or the duly authorized agents of the State Auditor and  
15 Inspector;

16 5. The disclosing of information or evidence to the Oklahoma  
17 State Bureau of Investigation, Attorney General, Oklahoma State  
18 Bureau of Narcotics and Dangerous Drugs Control, any district  
19 attorney or agent of any federal law enforcement agency when the  
20 information or evidence is to be used by such officials to  
21 investigate or prosecute violations of the criminal provisions of  
22 the Uniform Tax Procedure Code or of any state tax law or of any  
23 federal crime committed against this state. Any information  
24 disclosed to the Oklahoma State Bureau of Investigation, Attorney

1 General, Oklahoma State Bureau of Narcotics and Dangerous Drugs  
2 Control, any district attorney or agent of any federal law  
3 enforcement agency shall be kept confidential by such person and not  
4 be disclosed except when presented to a court in a prosecution for  
5 violation of the tax laws of this state or except as specifically  
6 authorized by law, and a violation by the Oklahoma State Bureau of  
7 Investigation, Attorney General, Oklahoma State Bureau of Narcotics  
8 and Dangerous Drugs Control, district attorney or agent of any  
9 federal law enforcement agency by otherwise releasing the  
10 information shall be a felony;

11 6. The use by any division of the Tax Commission of any  
12 information or evidence in the possession of or contained in any  
13 report or return filed with any other division of the Tax  
14 Commission;

15 7. The furnishing, at the discretion of the Tax Commission, of  
16 any information disclosed by its records or files to any official  
17 person or body of this state, any other state, the United States or  
18 foreign country who is concerned with the administration or  
19 assessment of any similar tax in this state, any other state or the  
20 United States. The provisions of this paragraph shall include the  
21 furnishing of information by the Tax Commission to a county assessor  
22 to determine the amount of gross household income pursuant to the  
23 provisions of Section 8C of Article X of the Oklahoma Constitution  
24 or Section 2890 of this title. The Tax Commission shall promulgate

1 rules to give guidance to the county assessors regarding the type of  
2 information which may be used by the county assessors in determining  
3 the amount of gross household income pursuant to Section 8C of  
4 Article X of the Oklahoma Constitution or Section 2890 of this  
5 title. The provisions of this paragraph shall also include the  
6 furnishing of information to the State Treasurer for the purpose of  
7 administration of the Uniform Unclaimed Property Act;

8 8. The furnishing of information to other state agencies for  
9 the limited purpose of aiding in the collection of debts owed by  
10 individuals to such requesting agencies;

11 9. The furnishing of information requested by any member of the  
12 general public and stated in the sworn lists or schedules of taxable  
13 property of public service corporations organized, existing, or  
14 doing business in this state which are submitted to and certified by  
15 the State Board of Equalization pursuant to the provisions of  
16 Section 2858 of this title and Section 21 of Article X of the  
17 Oklahoma Constitution, provided such information would be a public  
18 record if filed pursuant to Sections 2838 and 2839 of this title on  
19 behalf of a corporation other than a public service corporation;

20 10. The furnishing of information requested by any member of  
21 the general public and stated in the findings of the Tax Commission  
22 as to the adjustment and equalization of the valuation of real and  
23 personal property of the counties of the state, which are submitted  
24 to and certified by the State Board of Equalization pursuant to the

1 provisions of Section 2865 of this title and Section 21 of Article X  
2 of the Oklahoma Constitution;

3 11. The furnishing of information as to the issuance or  
4 revocation of any tax permit, license or exemption by the Tax  
5 Commission as provided for by law. Such information shall be  
6 limited to the name of the person issued the permit, license or  
7 exemption, the name of the business entity authorized to engage in  
8 business pursuant to the permit, license or exemption, the address  
9 of the business entity and the grounds for revocation;

10 12. The posting of notice of revocation of any tax permit or  
11 license upon the premises of the place of business of any business  
12 entity which has had any tax permit or license revoked by the Tax  
13 Commission as provided for by law. Such notice shall be limited to  
14 the name of the person issued the permit or license, the name of the  
15 business entity authorized to engage in business pursuant to the  
16 permit or license, the address of the business entity and the  
17 grounds for revocation;

18 13. The furnishing of information upon written request by any  
19 member of the general public as to the outstanding and unpaid amount  
20 due and owing by any taxpayer of this state for any delinquent tax,  
21 together with penalty and interest, for which a tax warrant or a  
22 certificate of indebtedness has been filed pursuant to law;

23 14. After the filing of a tax warrant pursuant to law, the  
24 furnishing of information upon written request by any member of the

1 general public as to any agreement entered into by the Tax  
2 Commission concerning a compromise of tax liability for an amount  
3 less than the amount of tax liability stated on such warrant;

4 15. The disclosure of information necessary to complete the  
5 performance of any contract authorized by this title to any person  
6 with whom the Tax Commission has contracted;

7 16. The disclosure of information to any person for a purpose  
8 as authorized by the taxpayer pursuant to a waiver of  
9 confidentiality. The waiver shall be in writing and shall be made  
10 upon such form as the Tax Commission may prescribe;

11 17. The disclosure of information required in order to comply  
12 with the provisions of Section 2369 of this title;

13 18. The disclosure to an employer, as defined in Sections  
14 2385.1 and 2385.3 of this title, of information required in order to  
15 collect the tax imposed by Section 2385.2 of this title;

16 19. The disclosure to a plaintiff of a corporation's last-known  
17 address shown on the records of the Franchise Tax Division of the  
18 Tax Commission in order for such plaintiff to comply with the  
19 requirements of Section 2004 of Title 12 of the Oklahoma Statutes;

20 20. The disclosure of information directly involved in the  
21 resolution of the protest by a taxpayer to an assessment of tax or  
22 additional tax or the resolution of a claim for refund filed by a  
23 taxpayer, including the disclosure of the pendency of an  
24 administrative proceeding involving such protest or claim, to a

1 person called by the Tax Commission as an expert witness or as a  
2 witness whose area of knowledge or expertise specifically addresses  
3 the issue addressed in the protest or claim for refund. Such  
4 disclosure to a witness shall be limited to information pertaining  
5 to the specific knowledge of that witness as to the transaction or  
6 relationship between taxpayer and witness;

7 21. The disclosure of information necessary to implement an  
8 agreement authorized by Section 2702 of this title when such  
9 information is directly involved in the resolution of issues arising  
10 out of the enforcement of a municipal sales tax ordinance. Such  
11 disclosure shall be to the governing body or to the municipal  
12 attorney, if so designated by the governing body;

13 22. The furnishing of information regarding incentive payments  
14 made pursuant to the provisions of Sections 3601 through 3609 of  
15 this title, incentive payments made pursuant to the provisions of  
16 Sections 3501 through 3508 of this title, or tax credits claimed  
17 pursuant to the provisions of Sections 1 through 8 of this act;

18 23. The furnishing to a prospective purchaser of any business,  
19 or his or her authorized representative, of information relating to  
20 any liabilities, delinquencies, assessments or warrants of the  
21 prospective seller of the business which have not been filed of  
22 record, established or become final and which relate solely to the  
23 seller's business. Any disclosure under this paragraph shall only  
24 be allowed upon the presentment by the prospective buyer, or the



1 buyer's authorized representative, of the purchase contract and a  
2 written authorization between the parties;

3 24. The furnishing of information as to the amount of state  
4 revenue affected by the issuance or granting of any tax permit,  
5 license, exemption, deduction, credit or other tax preference by the  
6 Tax Commission as provided for by law. Such information shall be  
7 limited to the type of permit, license, exemption, deduction, credit  
8 or other tax preference issued or granted, the date and duration of  
9 such permit, license, exemption, deduction, credit or other tax  
10 preference and the amount of such revenue. The provisions of this  
11 paragraph shall not authorize the disclosure of the name of the  
12 person issued such permit, license, exemption, deduction, credit or  
13 other tax preference, or the name of the business entity authorized  
14 to engage in business pursuant to the permit, license, exemption,  
15 deduction, credit or other tax preference;

16 25. The examination of records and files of a person or entity  
17 by the Oklahoma State Bureau of Narcotics and Dangerous Drugs  
18 Control, district attorney or the Attorney General pursuant to a  
19 court order by a magistrate in whose territorial jurisdiction the  
20 person or entity resides, or where the Tax Commission records and  
21 files are physically located. Such an order may only be issued upon  
22 a sworn application by an agent of the Oklahoma State Bureau of  
23 Narcotics and Dangerous Drugs Control or the Attorney General,  
24 certifying that the person or entity whose records and files are to

1 be examined is the target of an ongoing investigation of a felony  
2 violation of the Uniform Controlled Dangerous Substances Act and  
3 that information resulting from such an examination would likely be  
4 relevant to that investigation. Any records or information obtained  
5 pursuant to such an order may only be used by the Oklahoma State  
6 Bureau of Narcotics and Dangerous Drugs Control, district attorney  
7 or the Attorney General in the investigation and prosecution of a  
8 felony violation of the Uniform Controlled Dangerous Substances Act  
9 or money laundering pursuant to Section 2001 of Title 21 of the  
10 Oklahoma Statutes. Any such order issued pursuant to this  
11 paragraph, along with the underlying application, shall be sealed  
12 and not disclosed to the person or entity whose records were  
13 examined, for a period of ninety (90) days. The issuing magistrate  
14 may grant extensions of such period upon a showing of good cause in  
15 furtherance of the investigation. Upon the expiration of ninety  
16 (90) days and any extensions granted by the magistrate, a copy of  
17 the application and order shall be served upon the person or entity  
18 whose records were examined, along with a copy of the records or  
19 information actually provided by the Tax Commission;

20 26. The disclosure of information, as prescribed by this  
21 paragraph, which is related to the proposed or actual usage of tax  
22 credits pursuant to Section 2357.7 of this title, the Small Business  
23 Capital Formation Incentive Act or the Rural Venture Capital  
24 Formation Incentive Act. Unless the context clearly requires

1 otherwise, the terms used in this paragraph shall have the same  
2 meaning as defined by Section 2357.7, 2357.61 or 2357.72 of this  
3 title. The disclosure of information authorized by this paragraph  
4 shall include:

5 a. the legal name of any qualified venture capital  
6 company, qualified small business capital company or  
7 qualified rural small business capital company,

8 b. the identity or legal name of any person or entity  
9 that is a shareholder or partner of a qualified  
10 venture capital company, qualified small business  
11 capital company or qualified rural small business  
12 capital company,

13 c. the identity or legal name of any Oklahoma business  
14 venture, Oklahoma small business venture or Oklahoma  
15 rural small business venture in which a qualified  
16 investment has been made by a capital company, or

17 d. the amount of funds invested in a qualified venture  
18 capital company, the amount of qualified investments  
19 in a qualified small business capital company or  
20 qualified rural small business capital company and the  
21 amount of investments made by a qualified venture  
22 capital company, qualified small business capital  
23 company, or qualified rural small business capital  
24 company;

1        27. The disclosure of specific information as required by  
2 Section 46 of Title 62 of the Oklahoma Statutes;

3        28. The disclosure of specific information as required by  
4 Section 205.5 of this title;

5        29. The disclosure of specific information as required by  
6 Section 205.6 of this title;

7        30. The disclosure of information to the State Treasurer  
8 necessary to implement Section 2368.27 of this title;

9        31. The disclosure of specific information to the Oklahoma  
10 Health Care Authority for purposes of determining eligibility for  
11 current or potential recipients of assistance from the Oklahoma  
12 Medicaid Program; ~~or~~

13        32. The disclosure of information to the Oklahoma Department of  
14 Veterans Affairs including but not limited to the name and basis for  
15 eligibility of each individual who qualifies for the sales tax  
16 exemption authorized in paragraph 34 of Section 1357 of this title;  
17 or

18        33. The disclosure of information to the Oklahoma Medical  
19 Marijuana Authority for the purposes of compliance with the Oklahoma  
20 Medical Marijuana and Patient Protection Act or Section 420 et seq.  
21 of Title 63 of the Oklahoma Statutes.

22        D. The Tax Commission shall cause to be prepared and made  
23 available for public inspection in the office of the Tax Commission  
24 in such manner as it may determine an annual list containing the

1 name and post office address of each person, whether individual,  
2 corporate or otherwise, making and filing an income tax return with  
3 the Tax Commission.

4 It is specifically provided that no liability whatsoever, civil  
5 or criminal, shall attach to any member of the Tax Commission or any  
6 employee thereof for any error or omission of any name or address in  
7 the preparation and publication of the list.

8 E. The Tax Commission shall prepare or cause to be prepared a  
9 report on all provisions of state tax law that reduce state revenue  
10 through exclusions, deductions, credits, exemptions, deferrals or  
11 other preferential tax treatments. The report shall be prepared not  
12 later than October 1 of each even-numbered year and shall be  
13 submitted to the Governor, the President Pro Tempore of the Senate  
14 and the Speaker of the House of Representatives. The Tax Commission  
15 may prepare and submit supplements to the report at other times of  
16 the year if additional or updated information relevant to the report  
17 becomes available. The report shall include, for the previous  
18 fiscal year, the Tax Commission's best estimate of the amount of  
19 state revenue that would have been collected but for the existence  
20 of each such exclusion, deduction, credit, exemption, deferral or  
21 other preferential tax treatment allowed by law. The Tax Commission  
22 may request the assistance of other state agencies as may be needed  
23 to prepare the report. The Tax Commission is authorized to require  
24 any recipient of a tax incentive or tax expenditure to report to the

1 Tax Commission such information as requested so that the Tax  
2 Commission may fulfill its obligations as required by this  
3 subsection. The Tax Commission may require this information to be  
4 submitted in an electronic format. The Tax Commission may disallow  
5 any claim of a person for a tax incentive due to its failure to file  
6 a report as required under the authority of this subsection.

7 F. It is further provided that the provisions of this section  
8 shall be strictly interpreted and shall not be construed as  
9 permitting the disclosure of any other information contained in the  
10 records and files of the Tax Commission relating to income tax or to  
11 any other taxes.

12 G. Unless otherwise provided for in this section, any violation  
13 of the provisions of this section shall constitute a misdemeanor and  
14 shall be punishable by the imposition of a fine not exceeding One  
15 Thousand Dollars (\$1,000.00) or by imprisonment in the county jail  
16 for a term not exceeding one (1) year, or by both such fine and  
17 imprisonment, and the offender shall be removed or dismissed from  
18 office.

19 H. Offenses described in Section 2376 of this title shall be  
20 reported to the appropriate district attorney of this state by the  
21 Tax Commission as soon as the offenses are discovered by the Tax  
22 Commission or its agents or employees. The Tax Commission shall  
23 make available to the appropriate district attorney or to the  
24 authorized agent of the district attorney its records and files

1 pertinent to prosecutions, and such records and files shall be fully  
2 admissible as evidence for the purpose of such prosecutions.

3 SECTION 2. It being immediately necessary for the preservation  
4 of the public peace, health or safety, an emergency is hereby  
5 declared to exist, by reason whereof this act shall take effect and  
6 be in full force from and after its passage and approval.

7 Passed the House of Representatives the 5th day of March, 2024.

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9  
10 Presiding Officer of the House  
of Representatives

11  
12 Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2024.

13  
14 Presiding Officer of the Senate