

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 2027

By: Dahm

AS INTRODUCED

An Act relating to the Tobacco Products Tax Enforcement Unit; amending 68 O.S. 2021, Section 400.1, as amended by Section 3, Chapter 285, O.S.L. 2023 (68 O.S. Supp. 2023, Section 400.1), which relates to the duties of the unit; requiring the attendance of a designated representative of the Oklahoma Tax Commission at certain meetings; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 400.1, as amended by Section 3, Chapter 285, O.S.L. 2023 (68 O.S. Supp. 2023, Section 400.1), is amended to read as follows:

Section 400.1. A. For the purpose of enforcing the tobacco tax laws of this state, the Oklahoma Tax Commission is authorized, contingent upon the availability of funds, to establish and maintain a unit to be known as the "Tobacco Products Tax Enforcement Unit". The unit shall enforce the tobacco tax laws of this state and ensure that all taxes are paid on tobacco products by:

1        1. Confirming that all entities selling tobacco products in  
2 this state are properly licensed as provided in Section 400 et seq.  
3 of Title 68 of the Oklahoma Statutes;

4        2. Verifying that all retailers are only purchasing tobacco  
5 products from wholesalers licensed by the Tax Commission;

6        3. Providing a dedicated telephone line and email address for  
7 licensed wholesalers, licensed retailers and the general public to  
8 report suspected violations of tobacco tax laws; provided, no  
9 entity, individual or those who report violations on behalf of a  
10 licensed wholesaler or retailer shall be required to disclose their  
11 identity;

12       4. Auditing licensed wholesalers and retailers to ensure all  
13 tobacco product taxes are paid;

14       5. Issuing fines for violations as provided in Section 400 et  
15 seq. of Title 68 of the Oklahoma Statutes;

16       6. Conducting wholesale and retail tobacco inspections to find  
17 and confiscate untaxed tobacco products;

18       7. Establishing data-sharing programs with tax departments in  
19 surrounding states related to tobacco product taxes;

20       8. Creating an industry advisory committee including licensed  
21 wholesalers and retailers who may represent the entity related to  
22 tobacco products tax enforcement concerns and suggestions. The  
23 industry advisory committee shall be composed of five (5) members as  
24 follows:

- a. two members who are licensed wholesalers to be appointed by the Governor,
- b. one member who is a licensed retailer to be appointed by the President Pro Tempore of the Oklahoma Senate,
- c. one member who is a licensed retailer to be appointed by the Speaker of the Oklahoma House of Representatives, and
- d. one member who is a licensed wholesaler to be appointed by the four members provided for in subparagraphs a through c of this paragraph.

The committee shall meet quarterly. A representative designated by the Oklahoma Tax Commission shall attend each meeting of the committee. The Oklahoma Tax Commission shall promulgate rules establishing minimum requirements as may be deemed necessary to carry out the purposes of the committee; and

9. Working with law enforcement and conducting investigations to stop illegal acquisition and shipment of tobacco products by persons not licensed to sell tobacco products in this state.

B. The Tax Commission shall annually submit a report to the Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives listing the number of wholesale and retail tobacco inspections conducted, the amount of untaxed tobacco products confiscated, the number of tobacco products tax audits conducted, the amount of taxes assessed and the amount of taxes

1 collected as the result of audits and confiscations, the number of  
2 suspected violations reported and the actions taken in response, and  
3 the number of fines issued and the amount of fines collected.

4 SECTION 2. This act shall become effective November 1, 2024.

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