

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 1279

6 By: Caldwell (Chad)

7 COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; amending 68  
9 O.S. 2021, Section 221, as amended by Section 1,  
10 Chapter 113, O.S.L. 2023 (68 O.S. Supp. 2024, Section  
11 221), which relates to the Uniform Tax Procedure  
12 Code; modifying provisions related to protest  
13 process; modifying provisions related to taxpayer  
14 protest; prescribing procedures for protest with  
15 respect to denial of certain tax credit; providing  
16 for oral hearing before the Oklahoma Tax Commission;  
17 requiring written order; prescribing procedures for  
18 appeal; and declaring an emergency.

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

20 SECTION 1. AMENDATORY 68 O.S. 2021, Section 221, as  
21 amended by Section 1, Chapter 113, O.S.L. 2023 (68 O.S. Supp. 2024,  
22 Section 221), is amended to read as follows:

23 Section 221. A. If any taxpayer shall fail to make any report  
24 or return as required by any state tax law, the Oklahoma Tax  
Commission, from any information in its possession or obtainable by  
it, may determine the correct amount of tax for the taxable period.  
If a report or return has been filed, the Tax Commission shall

1 examine such report or return and make such audit or investigation  
2 as it may deem necessary. If, in cases where no report or return  
3 has been filed, the Tax Commission determines that there is a tax  
4 due for the taxable period, or if, in cases where a report or return  
5 has been filed, the Tax Commission shall determine that the tax  
6 disclosed by such report or return is less than the tax disclosed by  
7 its examination, it shall in writing propose the assessment of taxes  
8 or additional taxes, as the case may be, and shall mail a copy of  
9 the proposed assessment to the taxpayer at the taxpayer's last-known  
10 address. Proposed assessments made in the name of the "Oklahoma Tax  
11 Commission" by its authorized agents shall be considered as the  
12 action of the Tax Commission.

13 B. Any assessment, correction or adjustment made as a result of  
14 an office audit shall be presumed to be the result of an audit of  
15 the report or return only, and such office audit shall not be deemed  
16 a verification of any item in the report or return unless the item  
17 shall have been made the subject of a hearing before the Tax  
18 Commission, and the correctness and amount of such item determined  
19 at such hearing; and such office audit shall not preclude the Tax  
20 Commission from subsequently making further adjustment, correction  
21 or assessment as a result of a field audit of the books and records  
22 of the taxpayer, wherever located, or upon disclosures from any  
23 source other than the return. In cases where no report or return  
24 has been filed, the assessment of the tax on any information

1 available shall in no event preclude the assessment at any time on  
2 subsequently disclosed information.

3 C. Within sixty (60) days after the date indicated on the  
4 aforesaid proposed assessment, the taxpayer may file with the Tax  
5 Commission a written protest under oath, signed by the taxpayer or  
6 the taxpayer's duly authorized agent, on such a form as the Tax  
7 Commission may prescribe, setting out therein:

8 1. A statement of the amount of deficiency as determined by the  
9 Tax Commission, the nature of the tax and the amount thereof in  
10 controversy;

11 2. A clear and concise assignment of each error alleged to have  
12 been committed by the Tax Commission;

13 3. The argument and legal authority upon which each assignment  
14 of error is made; provided, that the applicant shall not be bound or  
15 restricted in such hearing, or on appeal, to the arguments and legal  
16 authorities contained and cited in the application;

17 4. A statement of relief sought by the taxpayer; and

18 5. A verification by the taxpayer or the taxpayer's duly  
19 authorized agent that the statements and facts contained therein are  
20 true.

21 D. If in such written protest the taxpayer shall request an  
22 oral hearing, the Tax Commission shall grant such hearing, and  
23 shall, by written notice, advise the taxpayer of a date, which shall  
24 not be less than ten (10) days from the date of mailing of such

1 written notice, when such taxpayer may appear before the Tax  
2 Commission and present arguments and evidence, oral or written, in  
3 support of the protest. Hearings shall be held as soon as  
4 practicable. In the event an oral hearing is not requested, the Tax  
5 Commission shall proceed without further notice to examine into the  
6 merits of the protest and enter an order in accordance with its  
7 findings. Upon request of any taxpayer and upon proper showing that  
8 the principle of law involved in the assessment of any tax is  
9 already pending before the courts for judicial determination, the  
10 taxpayer, upon agreement to abide by the decision of the court, may  
11 pay the tax so assessed under protest and such protest shall be  
12 resolved in accordance with the agreement to abide.

13 E. If the taxpayer fails to file a written protest within the  
14 sixty-day period herein provided for or within the period as  
15 extended by the Tax Commission, or if the taxpayer fails to file the  
16 notice required by Section 226 of this title within thirty (30) days  
17 from the date indicated on the proposed assessment, then the  
18 proposed assessment, without further action of the Tax Commission,  
19 shall become final and absolute. A taxpayer who fails to file a  
20 protest to an assessment of taxes within the time period prescribed  
21 by this section may, within one (1) year of the date the assessment  
22 becomes final, request the Tax Commission to adjust or abate the  
23 assessment if the taxpayer can demonstrate, by a preponderance of  
24 the evidence, that the assessment or some portion thereof is clearly

1 erroneous. If the Tax Commission determines that the proper showing  
2 has been made, the assessment or portion thereof determined to be  
3 clearly erroneous shall be deemed not to have become final and  
4 absolute. No hearing to adjust or abate a clearly erroneous  
5 assessment may be granted after the Tax Commission's denial of such  
6 a request. An order of the Tax Commission denying a taxpayer's  
7 request to adjust or abate an assessment alleged to be clearly  
8 erroneous is not an appealable order under Section 225 of this  
9 title. No proceeding instituted by the Tax Commission to collect a  
10 tax liability may be stayed because of a request made by a taxpayer  
11 to adjust or abate an assessment alleged to be clearly erroneous.

12 F. The Tax Commission may in its discretion extend the time for  
13 filing a protest for any period of time not to exceed an additional  
14 ninety (90) days. Any extension granted shall not extend the period  
15 of time within which the notice required by Section 226 of this  
16 title may be filed.

17 G. Within a reasonable time after the hearing herein provided  
18 for, the Tax Commission shall make and enter an order in writing in  
19 which it shall set forth the disposition made of the protest and a  
20 copy of such order shall forthwith be mailed to the taxpayer. The  
21 order shall contain findings of fact and conclusions of law. After  
22 removing the identity of the taxpayer, the Tax Commission shall make  
23 the order available for public inspection and shall publish those  
24 orders the Tax Commission deems to be of precedential value. The

1 taxpayer may appeal the order within the time and in the manner  
2 provided for by Section 225 of this title, ~~appeal to the Supreme~~  
3 ~~Court,~~ but in the event the taxpayer fails to so proceed, the order  
4 shall within thirty (30) days from the date a certified copy thereof  
5 is mailed to the taxpayer, become final. The provisions of Section  
6 226 of this title shall not apply where a proposed assessment or an  
7 assessment of taxes has been permitted to become final.

8 H. In all instances where the proposed assessment or the  
9 assessment of taxes or additional taxes has been permitted to become  
10 final, a certified copy of the assessment may be filed in the office  
11 of the county clerk of any county in this state, and upon being so  
12 filed, the county clerk shall enter same upon the judgment docket in  
13 the same manner as provided for in connection with judgments of  
14 district courts. When an assessment is so filed and docketed, it  
15 shall have the same force and be subject to the same law as a  
16 judgment of the district court, and accordingly it shall constitute  
17 a lien on any real estate of the taxpayer located in the county  
18 wherein filed; and execution may issue and proceedings in aid of  
19 execution may be had the same as on judgments of district courts.  
20 Such lien is hereby released and extinguished upon the payment of  
21 such assessment, or, except as otherwise provided herein, upon the  
22 expiration of ten (10) years after the date upon which the  
23 assessment was filed in the office of the county clerk; provided,  
24 the Tax Commission may, prior to the release and extinguishment of

1 such lien, refile the assessment one time in the office of the  
2 county clerk. An assessment so refiled shall continue the lien  
3 until payment of the assessment, or upon the expiration of ten (10)  
4 years after the date upon which the assessment was refiled in the  
5 office of the county clerk. The remedies provided in this  
6 subsection shall be in addition to other remedies provided by law.  
7 All active liens evidenced by an assessment filed with a county  
8 clerk's office prior to November 1, 1989, shall be released and  
9 extinguished if the assessment is not refiled prior to November 1,  
10 2001.

11 I. In order to make more definite the intention of the  
12 Legislature in connection with the applicability or lack of  
13 applicability of the refund provisions of the tax statutes to those  
14 treating with proposed assessments and assessments that have become  
15 final, the Legislature being cognizant of the fact that such intent  
16 has been questioned, it is declared to be the intent of the  
17 Legislature that the refund provisions shall be without application  
18 to taxes where the amount thereof has been determined by an  
19 assessment, other than an assessment designated as an "office  
20 audit", that has become final.

21 J. Within fifteen (15) days after electronic notification of  
22 the denial of a credit authorized by Section 28-101 of Title 70 of  
23 the Oklahoma Statutes, a taxpayer may file with the Tax Commission a  
24 written protest under oath, signed by the taxpayer or the taxpayer's

1 duly authorized agent, on such a form as the Tax Commission may  
2 prescribe. If the taxpayer fails to file a written protest within  
3 the fifteen-day period, then the denial shall become final and  
4 absolute.

5 1. If in such timely written protest the taxpayer shall request  
6 an oral hearing, the Tax Commission shall set a date for hearing  
7 upon the protest. The Tax Commission shall, by written notice,  
8 advise the taxpayer of the time and place of the hearing, which  
9 shall not be less than ten (10) days from the date of mailing of  
10 such written notice, when such taxpayer may appear before the Tax  
11 Commission and present arguments and evidence, oral or written, in  
12 support of the protest.

13 2. Within sixty (60) days after the written protest is filed,  
14 the Tax Commission shall make and enter an order in writing in which  
15 it shall set forth the disposition made of the protest and a copy of  
16 such order shall forthwith be mailed to the taxpayer. The order  
17 shall contain findings of fact and conclusions of law. The taxpayer  
18 may appeal the order within the time and in the manner provided for  
19 by Section 225 of this title, but in the event the taxpayer fails to  
20 so proceed, the order shall within thirty (30) days from the date a  
21 certified copy thereof is mailed to the taxpayer, become final.

22 SECTION 2. It being immediately necessary for the preservation  
23 of the public peace, health or safety, an emergency is hereby  
24

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

3

4 60-1-13002 JM 02/27/25

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24