

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SUBCOMMITTEE RECOMMENDATION  
FOR

HOUSE BILL NO. 1279

By: Caldwell (Chad)

SUBCOMMITTEE RECOMMENDATION

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 221, as amended by Section 1, Chapter 113, O.S.L. 2023 (68 O.S. Supp. 2024, Section 221), which related to the Uniform Tax Procedure Code; modifying provisions related to protest process; modifying provisions related to taxpayer protest; prescribing procedures for protest with respect to denial of certain tax credit; providing for oral hearing before the Oklahoma Tax Commission; requiring written order; prescribing procedures for appeal; and providing an effective date.

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

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

1 Section 221. A. If any taxpayer shall fail to make any report  
2 or return as required by any state tax law, the Oklahoma Tax  
3 Commission, from any information in its possession or obtainable by  
4 it, may determine the correct amount of tax for the taxable period.  
5 If a report or return has been filed, the Tax Commission shall  
6 examine such report or return and make such audit or investigation  
7 as it may deem necessary. If, in cases where no report or return  
8 has been filed, the Tax Commission determines that there is a tax  
9 due for the taxable period, or if, in cases where a report or return  
10 has been filed, the Tax Commission shall determine that the tax  
11 disclosed by such report or return is less than the tax disclosed by  
12 its examination, it shall in writing propose the assessment of taxes  
13 or additional taxes, as the case may be, and shall mail a copy of  
14 the proposed assessment to the taxpayer at the taxpayer's last-known  
15 address. Proposed assessments made in the name of the "Oklahoma Tax  
16 Commission" by its authorized agents shall be considered as the  
17 action of the Tax Commission.

18 B. Any assessment, correction or adjustment made as a result of  
19 an office audit shall be presumed to be the result of an audit of  
20 the report or return only, and such office audit shall not be deemed  
21 a verification of any item in the report or return unless the item  
22 shall have been made the subject of a hearing before the Tax  
23 Commission, and the correctness and amount of such item determined  
24 at such hearing; and such office audit shall not preclude the Tax

1 Commission from subsequently making further adjustment, correction  
2 or assessment as a result of a field audit of the books and records  
3 of the taxpayer, wherever located, or upon disclosures from any  
4 source other than the return. In cases where no report or return  
5 has been filed, the assessment of the tax on any information  
6 available shall in no event preclude the assessment at any time on  
7 subsequently disclosed information.

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

13 1. A statement of the amount of deficiency as determined by the  
14 Tax Commission, the nature of the tax and the amount thereof in  
15 controversy;

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

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

22 4. A statement of relief sought by the taxpayer; and  
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1           5. A verification by the taxpayer or the taxpayer's duly  
2 authorized agent that the statements and facts contained therein are  
3 true.

4           D. If in such written protest the taxpayer shall request an  
5 oral hearing, the Tax Commission shall grant such hearing, and  
6 shall, by written notice, advise the taxpayer of a date, which shall  
7 not be less than ten (10) days from the date of mailing of such  
8 written notice, when such taxpayer may appear before the Tax  
9 Commission and present arguments and evidence, oral or written, in  
10 support of the protest. Hearings shall be held as soon as  
11 practicable. In the event an oral hearing is not requested, the Tax  
12 Commission shall proceed without further notice to examine into the  
13 merits of the protest and enter an order in accordance with its  
14 findings. Upon request of any taxpayer and upon proper showing that  
15 the principle of law involved in the assessment of any tax is  
16 already pending before the courts for judicial determination, the  
17 taxpayer, upon agreement to abide by the decision of the court, may  
18 pay the tax so assessed under protest and such protest shall be  
19 resolved in accordance with the agreement to abide.

20           E. If the taxpayer fails to file a written protest within the  
21 sixty-day period herein provided for or within the period as  
22 extended by the Tax Commission, or if the taxpayer fails to file the  
23 notice required by Section 226 of this title within thirty (30) days  
24 from the date indicated on the proposed assessment, then the

1 proposed assessment, without further action of the Tax Commission,  
2 shall become final and absolute. A taxpayer who fails to file a  
3 protest to an assessment of taxes within the time period prescribed  
4 by this section may, within one (1) year of the date the assessment  
5 becomes final, request the Tax Commission to adjust or abate the  
6 assessment if the taxpayer can demonstrate, by a preponderance of  
7 the evidence, that the assessment or some portion thereof is clearly  
8 erroneous. If the Tax Commission determines that the proper showing  
9 has been made, the assessment or portion thereof determined to be  
10 clearly erroneous shall be deemed not to have become final and  
11 absolute. No hearing to adjust or abate a clearly erroneous  
12 assessment may be granted after the Tax Commission's denial of such  
13 a request. An order of the Tax Commission denying a taxpayer's  
14 request to adjust or abate an assessment alleged to be clearly  
15 erroneous is not an appealable order under Section 225 of this  
16 title. No proceeding instituted by the Tax Commission to collect a  
17 tax liability may be stayed because of a request made by a taxpayer  
18 to adjust or abate an assessment alleged to be clearly erroneous.

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

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1 G. Within a reasonable time after the hearing herein provided  
2 for, the Tax Commission shall make and enter an order in writing in  
3 which it shall set forth the disposition made of the protest and a  
4 copy of such order shall forthwith be mailed to the taxpayer. The  
5 order shall contain findings of fact and conclusions of law. After  
6 removing the identity of the taxpayer, the Tax Commission shall make  
7 the order available for public inspection and shall publish those  
8 orders the Tax Commission deems to be of precedential value. The  
9 taxpayer may appeal the order within the time and in the manner  
10 provided for by Section 225 of this title, ~~appeal to the Supreme~~  
11 ~~Court,~~ but in the event the taxpayer fails to so proceed, the order  
12 shall within thirty (30) days from the date a certified copy thereof  
13 is mailed to the taxpayer, become final. The provisions of Section  
14 226 of this title shall not apply where a proposed assessment or an  
15 assessment of taxes has been permitted to become final.

16 H. In all instances where the proposed assessment or the  
17 assessment of taxes or additional taxes has been permitted to become  
18 final, a certified copy of the assessment may be filed in the office  
19 of the county clerk of any county in this state, and upon being so  
20 filed, the county clerk shall enter same upon the judgment docket in  
21 the same manner as provided for in connection with judgments of  
22 district courts. When an assessment is so filed and docketed, it  
23 shall have the same force and be subject to the same law as a  
24 judgment of the district court, and accordingly it shall constitute

1 a lien on any real estate of the taxpayer located in the county  
2 wherein filed; and execution may issue and proceedings in aid of  
3 execution may be had the same as on judgments of district courts.  
4 Such lien is hereby released and extinguished upon the payment of  
5 such assessment, or, except as otherwise provided herein, upon the  
6 expiration of ten (10) years after the date upon which the  
7 assessment was filed in the office of the county clerk; provided,  
8 the Tax Commission may, prior to the release and extinguishment of  
9 such lien, refile the assessment one time in the office of the  
10 county clerk. An assessment so refiled shall continue the lien  
11 until payment of the assessment, or upon the expiration of ten (10)  
12 years after the date upon which the assessment was refiled in the  
13 office of the county clerk. The remedies provided in this  
14 subsection shall be in addition to other remedies provided by law.  
15 All active liens evidenced by an assessment filed with a county  
16 clerk's office prior to November 1, 1989, shall be released and  
17 extinguished if the assessment is not refiled prior to November 1,  
18 2001.

19 I. In order to make more definite the intention of the  
20 Legislature in connection with the applicability or lack of  
21 applicability of the refund provisions of the tax statutes to those  
22 treating with proposed assessments and assessments that have become  
23 final, the Legislature being cognizant of the fact that such intent  
24 has been questioned, it is declared to be the intent of the

1 Legislature that the refund provisions shall be without application  
2 to taxes where the amount thereof has been determined by an  
3 assessment, other than an assessment designated as an "office  
4 audit", that has become final.

5 J. Within fifteen (15) days after electronic notification of  
6 the denial of a credit authorized by Section 28-101 of Title 70 of  
7 the Oklahoma Statutes, a taxpayer may file with the Tax Commission a  
8 written protest under oath, signed by the taxpayer or the taxpayer's  
9 duly authorized agent, on such a form as the Tax Commission may  
10 prescribe. If the taxpayer fails to file a written protest within  
11 the fifteen-day period, then the denial shall become final and  
12 absolute.

13 1. If in such timely written protest the taxpayer shall request  
14 an oral hearing, the Tax Commission shall set a date for hearing  
15 upon the protest. The Tax Commission shall, by written notice,  
16 advise the taxpayer of the time and place of the hearing, which  
17 shall not be less than ten (10) days from the date of mailing of  
18 such written notice, when such taxpayer may appear before the Tax  
19 Commission and present arguments and evidence, oral or written, in  
20 support of the protest.

21 2. Within sixty (60) days after the written protest is filed,  
22 the Tax Commission shall make and enter an order in writing in which  
23 it shall set forth the disposition made of the protest and a copy of  
24 such order shall forthwith be mailed to the taxpayer. The order



1 shall contain findings of fact and conclusions of law. The taxpayer  
2 may appeal the order within the time and in the manner provided for  
3 by Section 225 of this title, but in the event the taxpayer fails to  
4 so proceed, the order shall within thirty (30) days from the date a  
5 certified copy thereof is mailed to the taxpayer, become final.

6 SECTION 2. This act shall become effective November 1, 2025.

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