

AN ALERT FROM THE BDO STATE AND LOCAL TAX PRACTICE

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### SUBJECT

## OKLAHOMA INTRODUCED A NEW TWO-MONTH AMNESTY PROGRAM IN 2015

### SUMMARY

On May 20, 2015, Oklahoma Governor Mary Fallin (R) approved House Bill 2236, which, subject to availability of funds, directs the Oklahoma Tax Commission to establish a new tax amnesty period running from September 14, 2015 through November 13, 2015 (the "Compliance Period"). The bill entitles a taxpayer to waiver of penalties, interest and other collection fees or costs due on eligible taxes if the taxpayer files delinquent tax returns and pays the related taxes.

### DETAILS

Eligible taxes under the new tax amnesty include the following due and payable before a taxable period ending prior to January 1, 2015: (1) income taxes, (2) sales and use taxes, (3) the privilege tax imposed on state and national banks and credit unions, (4) employer withholding taxes, (5) gross production and petroleum excise tax, (6) gasoline and diesel tax, and (7) mixed beverage tax.

Upon filing and payment of eligible delinquent taxes within the Compliance Period, the Tax Commission is required to abate interest, penalties, collection fees, and costs that would otherwise be applicable and release any liens imposed. However, if delinquent taxes are remitted to a debt collection agency, the debt collection agency contract fee will not be waived.

The Tax Commission is authorized to promulgate rules detailing the terms and other conditions of the program.



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## BDO INSIGHTS

- ▶ This amnesty program presents a great opportunity for a taxpayer to come into compliance with their Oklahoma taxes, and reduce related accounting reserves, if any, without having to pay penalties or interest.
- ▶ The Tax Commission publishes a list on its website of its top 100 delinquent taxpayers, including the name, address, tax type, and delinquency amount of each such taxpayer. Thus, this tax amnesty may also present a taxpayer with a large delinquency with the opportunity to come into compliance with their Oklahoma taxes at a much lower cost and avoid tarnishing their reputation by appearing on this list or even remove their name from the list.
- ▶ The amnesty program is expected to increase revenue by \$35 million in fiscal year 2016. Thus, it is hard to imagine the funds to run the program will not be available.

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