



OKLAHOMA
Tax Commission

ADMINISTRATIVE RULES REPORT

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ADMINISTRATIVE RULES REPORT

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INTRODUCTION

The following Administrative Rules Report is hereby submitted to the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate pursuant to the provisions of Executive Order 2020-03.

The report provides a summary of each Chapter in Title 710 Oklahoma Tax Commission, the rulemaking history (since 2010) for each Chapter, and a list of rules eligible for revocation during the next rulemaking session.

The permanent rules of the Oklahoma Tax Commission facilitate the administration, enforcement, and collection of taxes and other levies enacted by the Oklahoma Legislature and assist practitioners and taxpayers with the interpretation and application of the Oklahoma Statutes in addition to the relevant filing, licensing, exemption, reporting and payment mechanisms and requirements currently in effect.

Every year the Oklahoma Tax Commission conducts a thorough review of the agency's administrative rules. Existing rules may be amended to clarify existing policy, improve readability, correct scrivener's errors, remove obsolete language, update statutory citation, or ensure accurate internal cross-references. New rules may be promulgated to comply with recently enacted legislation and judicial decisions. Rules deemed to be outdated or unnecessary are revoked.

Since 2010, the Oklahoma Tax Commission has promulgated 144 new administrative rules and revoked 155 existing rules. Sixty-nine rules are scheduled for revocation during the 2020 rulemaking session.

OKLAHOMA TAX COMMISSION

Administrative Rules Report | Executive Order 2020-03

Title 710 Oklahoma Tax Commission

Chapter 1. Administrative Operations

After reviewing each rule in 710:1 Administrative Operations, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has revoked two existing administrative rules in 710:1 Administrative Operations and promulgated 18 new rules.¹

The rules in 710:1 Administrative Operations facilitate the administration, enforcement, and collection of taxes and other levies enacted by the Oklahoma Legislature for the general maintenance and welfare of the State of Oklahoma.

- The purpose of *Subchapter 1, General Provisions* is to set out a general description of the Oklahoma Tax Commission, review the functions performed by the Commission, and briefly present an overview of the statutory role of the Commission, its organization and structure.
- The provisions of *Subchapter 3, Public Policy* are intended to describe uniform policies which are generally applicable to all tax types.
- The provisions of *Subchapter 5, Practice and Procedure* set out the various procedural processes, both formal and informal, by which a party aggrieved by any action of the Commission in the performance of its functions may seek a remedy, including the formal Rules of Practice and Procedure before the Office of the Administrative Law Judges.
- The provisions of *Subchapter 13, Consumer Compliance Initiative* are intended to encourage the voluntary disclosure and payment of use taxes owed to the state pursuant to the Consumer Compliance Initiative, authorized by the Oklahoma Legislature.

¹ Fifteen of the new rules were added in 2013; Part 10 of Subchapter 5, "*Business Compliance Proceedings*" was added to reflect the provisions of SB 1984 (53rd Legislature, Second Regular Session) to define terms and set out business closure procedures, notice requirements and hearing and appeal procedures.

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Title 710 Oklahoma Tax Commission

Chapter 10. Ad Valorem

After reviewing each rule in 710:10 Ad Valorem, the Oklahoma Tax Commission has determined four rules are unnecessary; the sources for values of personal property change frequently and access to this information is available on the internet.

Subchapter 2. Business Personal Property Valuation Schedules

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary	Explanation of Determined Category
710:10-2-3	Business related equipment	2005	X	See explanation above.
710:10-2-4	Industrial related equipment	2005	X	See explanation above.
710:10-2-5	Petroleum related equipment	2005	X	See explanation above.
710:10-2-6	Other equipment	2005	X	See explanation above.

Since 2010, the Oklahoma Tax Commission has revoked 20 existing administrative rules in 710:10 Ad Valorem and promulgated five new rules.²

The provisions of 710:10 Ad Valorem were promulgated to facilitate the administration, enforcement, and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to the ad valorem taxation of properties within the state.

- The provisions of *Subchapter 1, General Provisions* were promulgated to provide information to county assessors regarding assessment percentage guidelines, procedures for implementation of the ad valorem valuation limitation, and procedures and requirements to implement the limitation of the valuation on homestead property of qualified owners for ad valorem purposes and the additional homestead exemption.
- The provisions of *Subchapter 2, Business Personal Property Valuation Schedules* were adopted, pursuant to 68 O.S. § 2875(D)(4), to provide information regarding the schedules of values of personal property given to county assessors to assist in the assessment of personal property.

² Four of the new rules were added in 2015. New Subchapter 16, "*Unremarried Surviving Spouses of Persons Who Died in the Line of Military Duty*" and four new sections contained therein were added to outline eligibility requirements and qualification procedures for the property tax exemption allowed unremarried surviving spouses of persons who died in the line of military duty in accordance with the adoption by voter approval of State Question 771.

- The provisions of *Subchapter 3, Equalization Study* were adopted to provide information regarding all aspects of the classification, valuation, and audit methodologies to be used for ad valorem taxation within and between counties throughout the state. The equalization study set forth in this Subchapter is mandated by law pursuant to 68 O.S. §2865(a) of the Ad Valorem Tax Code.
- The provisions of *Subchapter 5, Homestead Exemption* were adopted to provide information regarding qualification of the homestead exemption, the application process and definitions.
- The provisions of *Subchapter 6, Storm Shelter Exemption* were adopted to facilitate the administration of the exemption from the ad valorem taxation for storm shelters approved by popular vote on November 5, 2002 (Laws 2002, H.J.Res.No. 1001; State Question 696).
- The provisions of *Subchapter 7, Manufacturing Facilities* have been adopted to facilitate the administration, determination, and application of the exemption from the ad valorem taxation of property for certain new or expanded manufacturing facilities.
- The provisions of *Subchapter 8, Exemption for Certain Oil and Gas Property upon which Oklahoma Gross Production Tax is Paid* were adopted to establish guidelines, as authorized by 68 O.S. § 1001.1, for the determination of properties exempt from ad valorem taxes under the terms of 68 O.S. § 1001(S) and (T) by payment of the "*in lieu*" gross production tax.
- The provisions of *Subchapter 9, Manufactured Homes* were adopted to provide guidance for the listing and assessment of manufactured homes for ad valorem tax purposes.
- The provisions of *Subchapter 10, Visual Inspection Plan* were adopted to provide guidance to county assessors on developing a detailed visual inspection plan and conducting a continuing comprehensive program as required by 68 O.S. § 2820(C).
- The provisions of *Subchapter 12, Agricultural Land Conservation Adjustment* were adopted to facilitate the administration, determination, and application of agricultural land conservation adjustments concerning ad valorem taxes.
- The provisions of *Subchapter 13, Valuation Exclusion for Desulphurization Equipment* were adopted to facilitate the valuation of certain locally assessed oil refinery assets for ad valorem tax purposes.
- The provisions of *Subchapter 14, Disabled Veterans in Receipt of Compensation at the One Hundred Percent Rate* were adopted to establish procedures and requirements to implement the exemption of the full fair cash value for homestead property and household personal property of qualified owners for ad valorem purposes.
- The provisions of *Subchapter 15, Freeport Exemption* were adopted to establish procedures and requirements to implement the Freeport Exemption. The "Freeport Exemption" refers to the Oklahoma constitutional provision contained in Oklahoma Constitution Article 10, Section 6A relating to property moving through the state and goods, wares and merchandise held for assembly, storage, manufacturing, processing or fabricating purposes if not for more than nine months.
- The provisions of *Subchapter 16, Unremarried Surviving Spouses of Persons Who Died in the Line of Military Duty* were adopted to establish procedures and requirements to implement the exemption for the full fair cash value of homestead property of qualified unremarried surviving spouses. The exemption for "unremarried surviving spouses of military personnel who died in the line of duty" refers to the implementation of an amendment added to the Oklahoma Constitution, Article 10 § 8F, by State Question 771, effective for the 2014 calendar year and years thereafter.

OKLAHOMA TAX COMMISSION

Administrative Rules Report | Executive Order 2020-03

Title 710 Oklahoma Tax Commission

Chapter 15. Aircraft

After reviewing each rule in 710:15 Aircraft, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has neither promulgated any new administrative rules nor revoked any existing rules in 710:15 Aircraft.

The provisions of 710:15 Aircraft were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to aircraft.

- The provisions of *Subchapter 2, Aircraft Dealer Licenses* are intended to facilitate the implementation, administration and enforcement of Section 254.1 of Title 3 of the Oklahoma Statutes, which requires that any person engaged in the business of selling, or serving in the capacity of, or acting as, a dealer of new or used aircraft in this state first obtain a license from the Oklahoma Tax Commission.
- The provisions of *Subchapter 3, Registration* are intended to establish procedures for the payment of aircraft registration fees on an annual basis.

OKLAHOMA TAX COMMISSION

Administrative Rules Report | Executive Order 2020-03

Title 710 Oklahoma Tax Commission

Chapter 20. Alcohol and Mixed Beverages

After reviewing each rule in 710:20 Alcohol and Mixed Beverages, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has revoked 24 existing administrative rules³ in 710:20 Alcohol and Mixed Beverages; no new rules were promulgated.

The provisions of 710:20 Alcohol and Mixed Beverages were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to alcohol and mixed beverages.

- The provisions of *Subchapter 1, General Provisions* define terms and provide information regarding the purchase requirements for mixed beverage permit holders.
- The provisions of *Subchapter 3, Alcoholic Beverages* are intended to facilitate the administration of the excise tax levied upon the sale, distribution, use or possession in this state of alcoholic beverages.
- The provisions of *Subchapter 5, Mixed Beverages* are intended to facilitate the administration of and procedures for payment of gross receipts tax on mixed beverages.

³ In 2018, Subchapter 2 "*Low-Point Beer*" was revoked to implement the provisions of Senate Bill 383 (2016) which created the Oklahoma Alcoholic Beverage Control Act, the purpose of which is to implement the provisions of Article 28A of the Oklahoma Constitution. [State Question 792, adopted at election held November 8, 2016].

OKLAHOMA TAX COMMISSION

Administrative Rules Report | Executive Order 2020-03

Title 710 Oklahoma Tax Commission

Chapter 22. Boats and Motors

After reviewing each rule in 710:22 Boats and Motors, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has promulgated two new administrative rules in 710:22 Boats and Motors; no existing rules were revoked.

The provisions of 710:22 Boats and Motors were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to the Oklahoma Vessel and Motor Registration Act.

- The provisions of *Subchapter 1, General Provisions* were adopted to define terms, prescribe forms and describe procedures by which members of the public may report and remit excise tax pursuant to the Oklahoma Vessel and Motor Registration Act.
- The provisions of *Subchapter 3, Dealers* were adopted to prescribe forms and describe procedures for licensed dealers purchasing or selling boats or motors in Oklahoma.
- The provisions of *Subchapter 5, Procedures for Registration* were adopted to prescribe forms and procedures for registration and payment of boat and motor registration fees.
- The provisions of *Subchapter 7, Titles* were adopted to describe the procedure required to apply for an original Oklahoma title to a boat or outboard motor.
- The provisions of *Subchapter 9, Excise Tax* were adopted to facilitate the administration of the excise tax levied upon the transfer of legal ownership or possession of a boat or an outboard motor.
- The provisions of *Subchapter 11, Penalties* were adopted to provide information regarding the penalties due on original registrations, renewal registrations and excise tax.

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Title 710 Oklahoma Tax Commission

Chapter 23. Charity Games

After reviewing each rule in 710:23 Charity Games, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has neither promulgated any new administrative rules nor revoked any existing rules in 710:23 Charity Games.

The provisions of 710:23 Charity Games were promulgated to facilitate the administration, enforcement and collection of the levies enacted by the Oklahoma Legislature with respect to the Oklahoma Charity Games Act, including a description of required tax records, reporting and remitting procedures for licensed distributors, procedures for establishing qualification for certain tax credits available to distributors, and certain treatment, tax records, and reporting required of various organizations.

OKLAHOMA TAX COMMISSION

Administrative Rules Report | Executive Order 2020-03

Title 710 Oklahoma Tax Commission

Chapter 25. Coin Operated Vending Devices

After reviewing each rule in 710:25 Coin Operated Vending Devices, the Oklahoma Tax Commission has determined one rule is unnecessary and is scheduled for revocation during the 2020 rulemaking session.

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary	Explanation of Determined Category
710:25-1-15	Cities may levy license or tax in addition to decals	Prior to 1991 codification	X	This is a local issue; 68 O.S. § 1511.

Since 2010, the Oklahoma Tax Commission has neither promulgated any new administrative rules nor revoked any existing rules in 710:25 Coin Operated Vending Devices.

The provisions of 710:25 Coin Operated Vending Devices were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to coin operated vending devices.

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Title 710 Oklahoma Tax Commission

Chapter 30. Documentary Stamps

After reviewing each rule in 710:30 Documentary Stamps, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has neither promulgated any new administrative rules nor revoked any existing rules in 710:30 Documentary Stamps.

The provisions of 710:30 Documentary Stamps were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to documentary stamps.

OKLAHOMA TAX COMMISSION

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Title 710 Oklahoma Tax Commission

Chapter 35. Estates

After reviewing the rules in 710:35 Estates, the Oklahoma Tax Commission has determined this Chapter (51 rules) is outdated and no longer necessary.

Explanation: The Oklahoma Estate Tax was repealed effective January 1, 2010. (Repealed by Laws 2006, 2nd Extr. Sess., HB 1172, c. 42, § 6, eff. January 1, 2010). The Oklahoma Tax Commission had 10 years to discover assets not reported or disclosed on an Oklahoma estate tax return and assess for delinquent taxes. Also, the Oklahoma estate tax lien remains a lien on all property of the decedent's gross estate, for 10 years from the death of the decedent, unless an order releasing taxable estate or order exempting the estate from estate tax is obtained from the Oklahoma Tax Commission. These rules were necessary through tax year 2019 and are scheduled for revocation during the 2020 rulemaking session.

Subchapter 1. General Provisions

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-1-1	Purpose	Prior to 1991 codification	X
710:35-1-2	Definitions	Prior to 1991 codification	X
710:35-1-3	Annual report available to public	Prior to 1991 codification	X

Subchapter 3. Returns; Remittances; Releases

Part 1. Filing and Payment

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-3-1	Duty to file estate tax return	Prior to 1991 codification	X
710:35-3-2	Time for filing relating to weekends and holidays	Prior to 1991 codification	X
710:35-3-3	Extension to file estate tax return	Prior to 1991 codification	X
710:35-3-4	Liability for payment of estate tax	Prior to 1991 codification	X
710:35-3-5	Payment plans	Prior to 1991 codification	X
710:35-3-6	Computation and due date of interest	Prior to 1991 codification	X

710:35-3-7	Application for reduction of interest	Prior to 1991 codification	X
710:35-3-8	Taxes paid under protest	Prior to 1991 codification	X
710:35-3-9	Estate tax lien	2008	X

Part 3. Releases

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-3-20	Estate tax releases	Prior to 1991 codification	X
710:35-3-21	Release upon full payment; order releasing taxable estates	Prior to 1991 codification	X
710:35-3-22	Order exempting non-taxable estates	Prior to 1991 codification	X
710:35-3-23	Order releasing property subject to Oklahoma Estate Tax liability and lien; partial release of specific property subject to the determination of tax	Prior to 1991 codification	X
710:35-3-24	Estate passing to a surviving spouse	Prior to 1991 codification	X

Subchapter 5. Determination of Oklahoma Taxable Estate

Part 1. Property to Be Disclosed On Return

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-5-1	Identification fully of all property	Prior to 1991 codification	X
710:35-5-2	Transfers in contemplation of death	Prior to 1991 codification	X
710:35-5-3	Joint interests	Prior to 1991 codification	X
710:35-5-4	Cash surrender value of life insurance	Prior to 1991 codification	X
710:35-5-5	Unreported assets discovered	Prior to 1991 codification	X

Part 3. Valuation

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-5-20	Valuation of all properties	Prior to 1991 codification	X
710:35-5-21	Mineral values	Prior to 1991 codification	X
710:35-5-22	Valuation of stocks and bonds	Prior to 1991 codification	X
710:35-5-23	Valuation of household goods and other tangible personal property	Prior to 1991 codification	X
710:35-5-24	Valuation of partnership or proprietorship	Prior to 1991 codification	X

Part 5. Alternate Valuation

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-5-30	Alternate valuation election; properties includable in the estate; explanation of "lapse of time"	Prior to 1991 codification	X
710:35-5-31	Minerals - alternate valuation	Prior to 1991 codification	X
710:35-5-32	Debts and expenses - alternate valuation	Prior to 1991 codification	X

Part 7. Debts and Expenses

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-5-40	Verification of debts and expenses	Prior to 1991 codification	X
710:35-5-41	Selling expenses	Prior to 1991 codification	X
710:35-5-42	Interest expense	Prior to 1991 codification	X
710:35-5-43	Claims based on contracts	Prior to 1991 codification	X
710:35-5-44	Federal gift taxes	Prior to 1991 codification	X

710:35-5-45	Losses from casualties and theft	Prior to 1991 codification	X
710:35-5-46	Income taxes	Prior to 1991 codification	X
710:35-5-47	Property taxes	Prior to 1991 codification	X
710:35-5-48	Unpaid mortgages	Prior to 1991 codification	X
710:35-5-49	Attorney fees	Prior to 1991 codification	X
710:35-5-50	Executor's fees	Prior to 1991 codification	X
710:35-5-51	Interest on federal estate tax not deductible	Prior to 1991 codification	X
710:35-5-52	Miscellaneous and administration expenses	Prior to 1991 codification	X

Part 9. Deductions; Exclusions; Exemptions

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-5-60	Public, charitable and religious deductions	Prior to 1991 codification	X
710:35-5-61	Qualified terminal interest property; life estates	Prior to 1991 codification	X
710:35-5-62	Wrongful death claim	Prior to 1991 codification	X
710:35-5-63	Not lineal exemptions	Prior to 1991 codification	X

Part 11. Federal Estate Tax Credit and Additional Assessment of Oklahoma Estate Tax

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary
710:35-5-70	Separate credit provision	Prior to 1991 codification	X
710:35-5-71	Federal credit for state death taxes	Prior to 1991 codification	X
710:35-5-72	Interest on federal credit	Prior to 1991 codification	X
710:35-5-73	Adjustments affecting federal credit	Prior to 1991 codification	X

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Title 710 Oklahoma Tax Commission

Chapter 40. Franchise Tax

After reviewing each rule in 710:40 Franchise Tax, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has neither promulgated any new administrative rules nor revoked any existing rules in 710:40 Franchise Tax.

The provisions of 710:40 Franchise Tax were promulgated to facilitate the administration, enforcement and collection of the Oklahoma franchise tax and provide information regarding the computation of franchise tax, the filing of reports and returns, and the suspension and reinstatement of corporations.

OKLAHOMA TAX COMMISSION

Administrative Rules Report | Executive Order 2020-03

Title 710 Oklahoma Tax Commission

Chapter 45. Gross Production

After reviewing each rule in 710:45 Gross Production, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has revoked 37 existing rules in 710:45 Gross Production; no new administrative rules were promulgated.

The provisions of 710:45 Gross Production were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to gross production, petroleum excise, and conservation excise taxes.

- The provisions of *Subchapter 1, General Provisions* define terms and provide general information concerning the conditions for approval to remit gross production taxes.
- The provisions of *Subchapter 3, Payment; Remittance; Refunds* provide general information concerning the payment of taxes and claims for rebates, refunds, or credits.
- The provisions of *Subchapter 5, Required Returns and Reports* provide information and procedures for the filing of returns and monthly production reports.
- The provisions of *Subchapter 7, Special Reporting Requirements* provide information and procedures for special reporting requirements for monthly production reports and monthly purchasers' reports.
- The provisions of *Subchapter 9, Exemptions and Exclusions* provide information concerning the frac oil exclusion, the economically at-risk lease exemption, and the marketing costs deduction.
- The provisions of *Subchapter 11, Transporters* provide information and procedures for the issuance and renewal of non-transferrable licenses and vehicle permits to transporters of any product subject to the Oklahoma gross production tax.
- The provisions of *Subchapter 13, Refiners and Processors* provide information and procedures for the issuance of non-transferrable licenses to refiners or other processors of any product subject to the Oklahoma gross production tax.
- The provisions of *Subchapter 15, Reclaimers and Reclaiming Operations* provide information and procedures for the issuance and renewal of non-transferrable licenses to reclaimers of products subject to the Oklahoma gross production tax.

OKLAHOMA TAX COMMISSION

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Title 710 Oklahoma Tax Commission

Chapter 50. Income

After reviewing each rule in 710:50 Income, the Oklahoma Tax Commission has determined one rule is duplicative and is scheduled for revocation during the 2020 rulemaking session.

Subchapter 5. Audit and Assessment

Part 3. Assessments

Section	Title (Tagline)	Date Created	Duplicate	Location of Duplication	Explanation of Determined Category
710:50-5-11	Protests of assessments	Prior to 1991 codification	X	710:1-5-10	

Since 2010, the Oklahoma Tax Commission has promulgated 16 new administrative rules and revoked 19 existing rules in 710:50 Income.

The provisions of 710:50 Income were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to income.

- The provisions of *Subchapter 1, General Provisions* were adopted to define terms and provide general information regarding income tax returns and records of the Oklahoma Tax Commission.
- The provisions of *Subchapter 3, Returns and Reports* provide general information regarding the filing of individual income tax returns, i.e. who must file, due dates, extensions, amended returns, penalties, filing status, elections, accounting periods and methods, and "innocent spouse" relief procedures.
- The provisions of *Subchapter 5, Audit and Assessment* provide information and procedures for assessment of delinquent income tax.
- The provisions of *Subchapter 7, Remittances* provide information regarding the liability of individuals filing a joint Oklahoma income tax return.
- The provisions of *Subchapter 9, Refunds* provide information regarding income tax refunds.
- The provisions of *Subchapter 11, Intercept of Refunds* provide information regarding the intercept of refunds.
- The provisions of *Subchapter 12, Treasury Offset Program* were promulgated to implement and administer, in conjunction with the Internal Revenue Service, the Treasury Offset Program (TOP), authorized by 26 U.S.C. § 6402(e) and 31 C.F.R. § 285.8.
- The provisions of *Subchapter 13, Estimated Tax* provide information regarding the filing and payment of estimated income taxes, who must pay, due dates and interest due on underpayment.

- The provisions of *Subchapter 15, Oklahoma Taxable Income* provide information regarding the exemptions, deductions and adjustments made to federal taxable income to arrive at Oklahoma taxable income.
- The provisions of *Subchapter 17, Oklahoma Taxable Income for Corporations* were promulgated to facilitate the administration, enforcement and collection of corporate income taxes and to provide guidelines for determining what constitutes "nexus", that is, what business activities are needed for any corporation to be subject to Oklahoma income taxes.
- The provisions of *Subchapter 19, Oklahoma Taxable Income for Partnerships* were promulgated to facilitate the administration, enforcement and collection of Oklahoma taxable income for partnerships.
- The provisions of *Subchapter 20, Limited Liability Companies* were promulgated to facilitate the administration, enforcement and collection of Oklahoma taxable income for limited liability companies.
- The provisions of *Subchapter 21, Oklahoma Taxable Income for Subchapter "S" Corporations* were promulgated to facilitate the administration, enforcement and collection of Oklahoma taxable income for subchapter "S" corporations.
- The provisions of *Subchapter 23, Fiduciary Reporting* provide information regarding the state income tax reporting requirement of fiduciaries.
- The provisions of *Subchapter 25, Bankruptcy* provide general information for the estate of an individual involved in bankruptcy proceedings.
- The provisions of *Subchapter 27, Banks and Credit Unions* provide general information regarding state banking associations, national banking associations and credit unions organized under the laws of this state, located or doing business within the limits of the State of Oklahoma and who are subject to the privilege tax.

OKLAHOMA TAX COMMISSION

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Title 710 Oklahoma Tax Commission

Chapter 55. Motor Fuel

After reviewing each rule in 710:55 Motor Fuel, the Oklahoma Tax Commission has determined four rules are outdated and unnecessary because these duties have now been transferred to the Oklahoma Corporation Commission.

Subchapter 5. Importers for Use

Section	Title (Tagline)	Date Created	Outdated/ Unnecessary	Explanation of Determined Category
710:55-5-1	Computation of tax on mileage basis	Prior to 1991 codification	X	These duties have been transferred to the Oklahoma Corporation Commission.
710:55-5-2	Application	Prior to 1991 codification	X	These duties have been transferred to the Oklahoma Corporation Commission.
710:55-5-3	Required assessment	Prior to 1991 codification	X	These duties have been transferred to the Oklahoma Corporation Commission.
710:55-5-4	Credit; refunds	Prior to 1991 codification	X	These duties have been transferred to the Oklahoma Corporation Commission.

Since 2010, the Oklahoma Tax Commission has promulgated one new administrative rule in 710:55 Motor Fuel; no existing rules were revoked.

The provisions of 710:55 Motor Fuel were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to motor fuels, special fuels, and fuel transporter.

- The provisions of *Subchapter 1, General Provisions* were adopted to define terms and provide general information.
- The provisions of *Subchapter 4, Motor Fuel Tax* are intended to provide procedures for obtaining a license, posting a bond, filing monthly reports and perfecting and claiming an exemption.
- The provisions of *Subchapter 7, Special Fuels Tax* are intended to provide procedures for obtaining a license, posting a bond and filing monthly reports.

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Title 710 Oklahoma Tax Commission

Chapter 60. Motor Vehicles

After reviewing each rule in 710:60 Motor Vehicles, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has promulgated 18 new administrative rules and revoked 12 existing rules in 710:60 Motor Vehicles.

The provisions of 710:60 Motor Vehicles were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to the registration, licensing, transfer and operation of motor vehicles within this state.

- The provisions of *Subchapter 1, General Provisions* were adopted to define terms and provide general information regarding the licensing and registration of motor vehicles in Oklahoma.
- The provisions of *Subchapter 3, Registration and Licensing* were adopted to provide information and procedures for registration and licensing of motor vehicles, including penalties for delinquent registration; new and used dealers' registrations and license plates; title and registration of commercial vehicles, manufactured homes, all-terrain vehicles, off-road motorcycles and utility vehicles; and procedures for application of special license plates and personalized license plates.
- The provisions of *Subchapter 5, Motor Vehicle Titles* were adopted to provide information regarding the application and issuance of Oklahoma certificates of title, including salvage titles, rebuilt titles, junked titles, rental vehicle titles, remanufactured vehicle titles, and unrecovered theft titles; procedures for transfer of motor vehicle titles; affidavits for use in titles; procedures for perfecting, recording and releasing a lien; and Title 42 procedures.
- The provisions of *Subchapter 6, Vehicle Sales Tax* were adopted to facilitate the collection of sales tax levied on the purchase of motor vehicles.
- The provisions of *Subchapter 7, Motor Vehicle Excise Tax* were adopted to facilitate the administration of excise tax levied on the exchange of legal ownership of motor vehicles in Oklahoma.
- The provisions of *Subchapter 9, Motor Vehicle License Agents/Agencies* were adopted to provide information regarding the general requirements, duties and responsibilities of motor license agents, specific recordkeeping, reporting and fiscal duties, operational requirements for agents and agencies, and to facilitate the application and appointment guidelines for motor license agents pursuant to the Oklahoma Vehicle License and Registration Act (47 O.S. § 1140 et seq.).

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Title 710 Oklahoma Tax Commission

Chapter 65. Sales and Use Tax

After reviewing each rule in 710:65 Sales and Use Tax, the Oklahoma Tax Commission has determined eight rules are duplicative and are scheduled for revocation during the 2020 rulemaking session.

Subchapter 13. Sales and Use Tax Exemptions

Section	Title (Tagline)	Date Created	Location of Duplication	Outdated/ Unnecessary	Explanation of Determined Category
710:65-13-156	Exemption for "qualified distributor"	2006		X	The exemption is no longer available.

Subchapter 19. Specific Applications and Examples

Section	Title (Tagline)	Date Created	Location of Duplication	Outdated/ Unnecessary	Explanation of Determined Category
710:65-19-55	Taxability of sales to contractors	Prior to 1991 codification		X	The general classification of contractors as consumer/users required to pay tax on purchases of items to fulfill contracts to improve real property is outlined in a number of Sections in Chapter 65 and therefore OAC 710:65-19-55 is not necessary.
710:65-19-59	Store coupons	Prior to 1991 codification	710:65-1-9(e)(5)		The application of the various types of coupons for sales tax calculation purposes is detailed in OAC 710:65-1-9(e)(5) and consequently the

					subject rule is superfluous.
710:65-19-74	Discounts	Prior to 1991 codification	710:65-1-2		The rule is not needed since the treatment of discounts is included in OAC 710:65-1-2 definition of gross receipts.
710:65-19-125	Premiums and gifts	Prior to 1991 codification	710:65-19-256		The rule is not needed since any purchaser is considered the consumer or user of tangible personal property purchased which is not for resale.
710:65-19-127	Gift wrap	Prior to 1991 codification	710:65-19-256		The rule is not needed since it is included in OAC 710:65-19-256 which lists gift wrap as a taxable purchase of a retailer when consumed as part of its gift wrapping service.
710:65-19-155	Ice Plants	Prior to 1991 codification	710:65-13-150	X	The rule is not needed since Ice Plants are considered manufacturers and the treatment of its manufacturing operations for sales tax purposes are governed by OAC 710:65-13-150.

710:65-19-194	Lumber dealers	Prior to 1991 codification		X	The rule is not needed since a lumber dealer falls within the category of a vendor/retailer that would follow rules and regulations applicable to taxable or exempt sales transactions.
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Since 2010, the Oklahoma Tax Commission has promulgated 20 new administrative rules and revoked six existing rules in 710:65 Sales and Use Tax.

The provisions of 710:65 Sales and Use Tax were promulgated to facilitate the administration, enforcement and collection of taxes under the Oklahoma Sales and Use Tax Codes.

- The provisions of *Subchapter 1, General Provisions* were adopted to define terms and provide general information regarding Oklahoma sales tax.
- The provisions of *Subchapter 3, Reports and Returns; Payments and Penalties; Records* provide general information regarding the filing of sales tax reports and returns, payments and penalties, and records and recordkeeping.
- The provisions of *Subchapter 5, Audit and Assessment* provide general information regarding sales tax audits and assessments.
- The provisions of *Subchapter 7, Duties and Liabilities* provide general information regarding the duties and liabilities of vendors, including vendor's responsibility for collection of sales taxes, personal liability for sales tax due, and relief from liability.
- The provisions of *Subchapter 9, Permits* provide information regarding the process for obtaining a sales tax permit to do business in Oklahoma.
- The provisions of *Subchapter 11, Credits and Refunds* provide information regarding sales tax credits, refunds and deductions for bad debts.
- The provisions of *Subchapter 13, Sales and Use Tax Exemptions* provide information regarding certain entities and products exempt from sales and use tax.
- The provisions of *Subchapter 15, Interstate Commerce* provides guidance regarding the application of sales and use tax to interstate commerce.
- The provisions of *Subchapter 18, Sourcing Pursuant to the Streamlined Sales and Use Tax Administration Act* were promulgated to facilitate the administration, enforcement and collection of taxes under the Streamlined Sales and Use Tax Administration Act.
- The provisions of *Subchapter 19, Specific Applications and Examples* provide a non-exhaustive list of specific applications and examples.
- The provisions of *Subchapter 21, Use Tax* were promulgated to facilitate the administration, enforcement and collection of taxes under the Oklahoma Use Tax Code.

OKLAHOMA TAX COMMISSION

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Title 710 Oklahoma Tax Commission

Chapter 70. Tobacco, Tobacco Products, and Cigarettes

After reviewing each rule in 710:70 Tobacco, Tobacco Products, and Cigarettes, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has promulgated five new administrative rules and revoked eight existing rules in 710:70 Tobacco, Tobacco Products and Cigarettes.

The provisions of 710:70 Tobacco, Tobacco Products and Cigarettes were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to tobacco and tobacco products.

- The provisions of *Subchapter 2, Cigarette Stamp Tax* were promulgated to facilitate the administration, enforcement and collection of the levies enacted by the Oklahoma Legislature with respect to cigarettes. [68 O.S. § 301 et seq.]
- The provisions of *Subchapter 3, Unfair Cigarette and Tobacco Products Sales* were promulgated to facilitate the enforcement of the Unfair Cigarette and Tobacco Products Sales Act (68 O.S. §§326 et seq.).
- The provisions of *Subchapter 5, Excise on Tobacco Products* were promulgated to facilitate the administration, enforcement and collection of excise tax levied upon the sale, use, distribution, exchange, barter or possession of tobacco products in this state.
- The provisions of *Subchapter 7, Cigarette and Tobacco Products Sales by Federally Recognized Indian Tribes and Nations* were promulgated to facilitate the administration, enforcement and collection of the levies enacted by the Oklahoma Legislature with respect to tobacco and tobacco products.
- The provisions of *Subchapter 9, Reporting Required by the Prevention of Youth Access to Tobacco Act and the Master Settlement Agreement Complementary Act* were promulgated to facilitate the determination, compilation and reporting of certain information required by Sections 600.21 through 600.23 of the Prevention of Youth Access to Tobacco Act (37 O.S. §600.1 et seq.). Further, the provisions are intended to implement, administer and interpret "The Master Settlement Agreement Complementary Act" (68 O.S. §§ 360.1 through 360.8).

OKLAHOMA TAX COMMISSION

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Title 710 Oklahoma Tax Commission

Chapter 85. Various Tax Incentives

After reviewing each rule in 710:85 Various Tax Incentives, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has revoked 19 existing administrative rules and promulgated 10 new rules in 710:85 Various Tax Incentives.⁴

The rules in 710:85 Various Tax Incentives define terms used and describe basic procedures, including filing and verification of reports, required record keeping, and audit procedures.

- The provisions of *Subchapter 1, Oklahoma Quality Jobs Program* were promulgated to facilitate the administration, allocation and payment of certain tax incentives pursuant to the Oklahoma Quality Jobs Program Act. [68 O.S. § 3601 et seq.]
- The provisions of *Subchapter 5, Small Employer Quality Jobs Program* were promulgated to facilitate the administration, allocation and payment of certain tax incentives pursuant to the Small Employer Quality Jobs Incentive Act. [68 O.S. § 3901 et seq.]
- The provisions of *Subchapter 7, Oklahoma Film Enhancement Rebate Program* were promulgated to facilitate the administration and payment of certain tax incentives pursuant to the *Compete with Canada Film Act*. [68 O.S. § 3621 et seq.]
- The provisions of *Subchapter 9, Oklahoma Quality Investment Act* were promulgated to facilitate the administration, allocation and payment of certain tax incentives pursuant to the Oklahoma Quality Investment Act. [68 O.S. § 4101 et seq.]
- The provisions of *Subchapter 11, 21st Century Quality Jobs Program* were promulgated to facilitate the administration, allocation and payment of certain tax incentives pursuant to the 21st Century Quality Jobs Incentive Act. [68 O.S. § 3911 et seq.]

⁴ The 10 new rules were added in 2010; *Subchapter 11 - 21st Century Quality Jobs Program* was added to implement the provisions of the 21st Century Quality Jobs Incentive Act, Senate Bill 938, First Regular Session of the 52nd Legislature (2009), to provide information regarding the incentive claim filing process and the criteria for receiving incentive payments.

OKLAHOMA TAX COMMISSION

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Title 710 Oklahoma Tax Commission

Chapter 90. Withholding

After reviewing each rule in 710:90 Withholding, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has neither promulgated any new administrative rules nor revoked any existing rules in 710:90 Withholding.

The provisions of 710:90 Withholding were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to the withholding, reporting, and remitting of Oklahoma Income taxes.

- The provisions of *Subchapter 1, General Provisions* were adopted to define terms and describe general procedures by which employers may report and remit withholding tax to the Oklahoma Tax Commission.
- The provisions of *Subchapter 3, Returns and Payments* were adopted to prescribe forms and provide guidance to employers regarding the information required on the return, the procedure for executing, signing and filing the return and the payment of tax.
- The provisions of *Subchapter 5, Liability and Penalties* were adopted to describe the liability of employers for taxes withheld or the failure to withhold.
- The provisions of *Subchapter 7, Audit* were adopted to describe procedures for audits, examination of returns, adjustments, notices, and demands for payment.

OKLAHOMA TAX COMMISSION

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Title 710 Oklahoma Tax Commission

Chapter 95. Miscellaneous Areas of Regulatory and Administrative Authority

After reviewing each rule in 710:95 Miscellaneous Areas of Regulatory and Administrative Authority, the Oklahoma Tax Commission has determined these rules are still necessary; they are not costly, ineffective, duplicative or outdated.

Since 2010, the Oklahoma Tax Commission has promulgated 49 new administrative rules and revoked eight existing rules in 710: 95 Miscellaneous Areas of Regulatory and Administrative Authority. Forty-two of the new rules were promulgated in response to legislation.⁵

The provisions of 710:95 Miscellaneous Areas of Regulatory and Administrative Authority were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature.

- The provisions of *Subchapter 1, Controlled Dangerous Substances Stamp Tax* were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to Controlled Dangerous Substance Tax Stamps.
- The provisions of *Subchapter 3, Telecommunication for the Hearing-Impaired Surcharge* were promulgated to facilitate the administration, enforcement and collection of the levy enacted by the Oklahoma Legislature pursuant to the Telecommunications for the Hearing-Impaired Act (63 O.S. §§2416 et seq.).
- The provisions of *Subchapter 4, Rental Tax on Motor Vehicle* were promulgated to facilitate the administration, enforcement and collection of the levy enacted by the Oklahoma Legislature pursuant to 68 O.S. §2110.
- The provisions of *Subchapter 5, Used Tire Recycling* were promulgated to facilitate the administration, enforcement and collection of the levy enacted by the Oklahoma Legislature pursuant to the Oklahoma Used Tire Recycling Act (27A O.S. § 2-11-401 et seq.).

⁵ In 2010 new *Subchapter 15, Wire Transmitter Fee* and six new sections contained therein were added to implement the provisions of HB 2250 [2009] which levied a fee on each money transmission transaction by any licensee of a money transmission, transmitter or wire transmitter business.
In 2011 new *Subchapter 17, Prepaid Wireless Fee* and eight new sections contained therein were added to implement the provisions of House Bill 2556 [2010] which imposed a \$0.50 fee on every retail sale of prepaid wireless telecommunication services.
In 2011 new *Subchapter 19, Business Activity Tax* and eight new sections contained therein were added to implement the provisions of SJR 61 [2010] which imposed a tax of \$25 per year on all non-corporate entities “doing business” in Oklahoma and an additional tax of 1% of the net revenue derived from business activity allocated to Oklahoma.
In 2012 new *Subchapter 21, Quality Events* and eleven new sections contained therein were added to implement the provisions of SB 1284 [2010] which enacted the Oklahoma Quality Events Incentive Act.
In 2013 new *Subchapter 22, Registration Requirements for Resident and Nonresident Contractors* and nine new sections contained therein were added in 2013 to implement the provisions of House Bill 2258 [2012] which provided for imposition of fines for contractors violating certain registration requirements and misclassifying employees as independent contractors with the intent to affect tax payments.

- The provisions of *Subchapter 9, Professional Licensing Compliance Review* were promulgated to facilitate the implementation, administration, and enforcement of Section 238.1 of Title 68 of the Oklahoma Statutes, which specifically requires that the Oklahoma Tax Commission adopt rules implementing a procedure to determine that each person holding a professional license from the State of Oklahoma is in compliance with state income tax laws.
- The provisions of *Subchapter 11, State Employees Compliance Review* were promulgated to facilitate the implementation, administration and enforcement of Section 238.2 of Title 68 of the Oklahoma Statutes, which specifically requires that the Oklahoma Tax Commission adopt rules implementing provisions to determine that all employees of the State of Oklahoma are in compliance with state income tax laws.
- The provisions of *Subchapter 15, Wire Transmitter Fee* were promulgated to facilitate the administration, enforcement and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to the Drug Money Laundering and Wire Transmitter Act. [63 O.S. §§ 2-503.1a et seq.]
- The provisions of *Subchapter 17, Prepaid Wireless Fee* were promulgated to facilitate the administration, enforcement and collection of the prepaid wireless fee under the Oklahoma Statutes.
- The provisions of *Subchapter 21, Quality Events* were promulgated to facilitate the administration, allocation and payment of tax incentives pursuant to the Oklahoma Quality Event Incentives Act.
- The provisions of *Subchapter 22, Registration Requirements for Resident and Nonresident Contractors* were promulgated to facilitate the administration and enforcement of imposition of fines for contractors violating certain registration requirements and misclassifying employees as independent contractors with the intent to affect tax payments.