

710:70-9-4. Quarterly escrow installments required from certain nonparticipating manufacturers pursuant to the Master Settlement Agreement Complimentary Act

(a) Quarterly escrow payments for certain nonparticipating manufacturers required.

The Oklahoma Tax Commission shall require tobacco product manufacturer subject to the escrow requirements of 37 O.S. § 600.23, to make quarterly installments during the year in which the sales covered by the deposits are made when the Attorney General notifies the Tax Commission that:

(1) A nonparticipating manufacturer has not previously established and funded a qualified escrow fund in Oklahoma; or

(2) A nonparticipating manufacturer has not made any escrow deposits for more than one year; or

(3) A nonparticipating manufacturer has failed to pay any judgment awarded to the state, including any civil penalty; or

(4) A nonparticipating manufacturer sells more than 2,000,000 sticks or 180,000 ounces of roll-your-own product during a quarter;

(b) Quarterly escrow payments for all nonparticipating manufacturers may be required.

All nonparticipating manufacturers shall be required to make quarterly payments if, thirty (30) days prior to the beginning of any quarter, the Attorney General serves a written request upon the Tax Commission, requesting that quarterly payments be required. Such quarterly payments under this subsection shall be required for every quarter after such notice until such time as the Attorney General notifies the Tax Commission that quarterly payments, in his judgment, are no longer necessary to provide compliance with the escrow requirements of a nonparticipating manufacturer.

(c) Deadlines. Nonparticipating manufacturers required to make quarterly payments must do so as follows:

(1) Payments for sales occurring in the first quarter, January 1 through March 31, are due April 30 of the same year. The Attorney General's office must receive official notification of the payments no later than May 15 of the same year.

(2) Payments for sales occurring in the second quarter, April 1 through June 30, are due July 31 of the same year. The Attorney General's office must receive official notification of the payments no later than August 15 of the same year.

(3) Payments for sales occurring in the third quarter, July 1 through September 30, are due October 31 of the same year. The Attorney General's office must receive official notification of the payments no later than November 15 of the same year.

(4) Payments for sales occurring in the fourth quarter, October 1 through December 31, are due January 31 of the next year. The Attorney General's office must receive official notification of the payments no later than February 15 of the next year.

(d) Penalties. The nonparticipating manufacturer and its brands may be removed from the Oklahoma Directory of Certified Tobacco Manufacturers and Brands by the Attorney General if:

(1) Required quarterly escrow payments are not timely made in full; or

(2) An outstanding final judgment, and interest thereon, for a violation of 37 O.S. §§ 600.21 through 600.23 has not been fully satisfied; or

(3) The Attorney General is not timely notified that the quarterly escrow payments have been made in full; or

(4) The Attorney General determines that the nonparticipating manufacturer has otherwise failed to comply with any requirement of the Master Settlement Agreement Complimentary Act.