

Oklahoma Tax Amnesty Program

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Oklahoma Tax Amnesty Program

- Overview of Amnesty Program.
- Revenue Estimates.
- Administrative Processes.
- Review - What Worked / What Didn't.

Oklahoma Tax Amnesty Program - Overview

- 2002 Legislation mandated tax amnesty - SB 1448.
- Amnesty was done to fill budget gap. - Other states were doing them with success.

Tax Amnesty Program - Overview (continued)

- Covered all tax types administered by the Oklahoma Tax Commission; except motor vehicle excise and ad valorem.
- Program ran from August 15, 2002 through November 15, 2002.
- If tax was paid in full, then 1/2 of the interest and all the penalty would be waived.

Oklahoma Tax Amnesty Program - Revenue Estimates



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Oklahoma Tax Amnesty Program - Revenue Estimates (continued)

- Last Amnesty in 1984 - little Oklahoma Tax Commission data available.
- Solution to data problem - “borrow” from other states.
- New Mexico & Louisiana Amnesty collections were analyzed as a percentage of collections. These %’s were then applied to same or similar tax types eligible for Oklahoma amnesty.

Oklahoma Tax Amnesty Program - Revenue Estimates (continued)

- Resulted in an estimate of between \$16.5 million and \$18.8 million in one time revenue.
- Legislature used \$18.8 million for budgeting.

Oklahoma Tax Amnesty Program - Administrative Processes

- Publicity - No money was appropriated so we utilized free media; TV stations, radio and print. Also, OTC speakers bureau; brochure and poster designed for all Taxpayer Assistance Centers; and post card sized info pieces included in outgoing correspondence.
- Website Publicity - Link to FTA and other States

Oklahoma Tax Amnesty Program - Administrative Processes (continued)

- Notified “delinquent” taxpayers with eligibility letter. Had a special PO box for remitting.
- Modified A/R system to automatically calculate amount due if taxpayer took advantage of amnesty.
- Prepared FAQ’s and Administrative Rules
- Trained Taxpayer Assistance & Collections Personnel

Oklahoma Tax Amnesty Program - Review

- **Review - What went right**
- **Collections** - collected \$38,800,000 from 24,731 taxpayer accounts. Revenue break down as follows:
 - › \$19.9 million in individual income tax
 - › \$ 6.7 million in corporate income tax
 - › \$ 8.2 million in sales tax
 - › \$ 2.0 million in withholding
 - › \$ 2.0 million in gross production

Oklahoma Tax Amnesty Program - Review (continued)

- **What went right** - continued
- Mailing of taxpayer eligibility letters was very helpful.
- Programming of AR system worked well in that amount due was very easy to communicate to taxpayer

Oklahoma Tax Amnesty Program - Review (continued)

- **What went wrong:**
- August 15th and October 15th date is PIT extension date. Amnesty from P&I given to currently due (tax year 2001) filers.
- Monthly revenue collections skewed.

Questions?

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