

October — 2000 **Oklahoma**

business bulletin

- a quarterly publication of the Oklahoma tax commission

We are here to serve you by promoting tax compliance through quality service and fair administration.

The Oklahoma Tax Commission has several locations across the state to serve you. Listed below are these offices, addresses and telephone numbers.

Oklahoma City

(405) 521-3160
2501 North Lincoln Boulevard
or
(405) 522-0789
NW 23rd and Villa (Shepherd Mall)

Tulsa

(918) 581-2399
440 South Houston

McAlester

(918) 426-0777
1533 South Main

Lawton

(580) 248-8440
1602 NW Lawton Avenue, Suite B

Ardmore

(580) 226-4636
301 West Main, Suite 316

In-State Toll Free

(800) 522-8165
Extension 1-3160

The Oklahoma Business Bulletin is a quarterly publication of the Communications Division of the Oklahoma Tax Commission.

Questions and comments regarding this publication should be directed to (405) 521-3637 or:

OTC - Communications Division
2501 North Lincoln Boulevard
Oklahoma City, OK 73194

Legislation

New License Review Section Formed Due to New Law

With the close of the legislative session this year, a new law was enacted which provides that all state professional license holders must be in compliance with state income tax laws in order to retain their licenses. Senate Bill 1040, effective July 1, 2000, requires that each state licensing agency is to notify the Tax Commission when an application for license issuance, renewal or reinstatement is received.

In an effort to administer this law without causing delays or inconveniences to the license holder a Professional Licensing Compliance Unit has been established at the Tax Commission as a central point of contact for administration of the law and to answer any questions taxpayers may have.

Once the Tax Commission receives the information, members of the Professional Licensing Compliance Unit will then check the filing status of the license applicant's income tax records. This check includes making sure that the applicant has filed all income tax records, along with paying any balance due, or being in compliance with any pay out plans that the applicant may have agreed to with the agency.

The Tax Commission is willing to work in any way with license holders to

bring them into good standing on their income tax filings. However, if it is determined that a taxpayer is not in compliance with income tax then the licensing agency will proceed with a denial of the license issue, transfer or renewal.

It is estimated that there are 500,000 professional license holders in the State of Oklahoma that will eventually have their filing status reviewed. Licensees who appear to be non-compliant will be contacted directly by the Tax Commission to attempt to resolve any issues prior to official notification to the licensing entity.

Our ultimate goal is to ensure that all Oklahoma taxpayers are treated fairly and with quick and efficient service while ensuring that all taxpayers are in compliance.

Who Will Be Reviewed?

Some of the licensing groups

that will have their licenses

reviewed include:

accountants, attorneys, architects,
chiropractors, commercial drivers,
cosmetologists, dentists,
embalmers/funeral workers,
engineers, insurance agents and
companies, doctors, nurses,
optometrists, pharmacists, real
estate agents, security brokers
and agents, speech pathologists,
veterinarians, building inspectors,
electricians, plumbers, and
emergency medical technicians.

Withholding Paycheck Time Can Be Difficult If You Don't Understand the Withholding Tax

Oklahoma Withholding tax is set up as a business tax for employers to file on behalf of their employees. It exists to benefit taxpayers in their individual income tax. Its purpose is to allow taxpayers to begin remitting income tax payments throughout the year, so that the April 15th burden is not overwhelming.

Each employer must obtain a Federal Employer Identification Number (FEIN) from the Internal Revenue Service for the purpose of reporting federal withholding. Companies will use the same FEIN for reporting state withholding. The next step for any company within the State of Oklahoma that is required to deduct and withhold tax is to register with the Oklahoma Tax Commission. Registration is done by completing the Business Registration Packet A published by the OTC. Packet A

may be downloaded from the web site (www.oktax.state.ok.us) or it

may be requested by phoning the agency's Taxpayer Assistance Division at (405) 521-3160 or toll-free in Oklahoma at 1(800) 522-8165.

Once an employer has completed the OTC registration, it is necessary to set up a filing schedule. Every employer required to deduct and withhold Oklahoma income tax from employee wages shall file a return and remit the tax to the OTC.

For employers who withhold less than \$500.00 per quarter, the

return is filed (along with the remittance) quarterly.

Those employers who withhold in excess of \$500.00 a quarter must file and remit monthly. Employers whose previous year's withholding averaged \$10,000.00 or more monthly must follow the Federal Semiweekly Deposit Schedule.

Payment for withholding taxes may be made in two ways. The first and more traditional method is to remit a

check along with the withholding report to the OTC. The second and newer way to make payment is by Electronic Funds Transfer (EFT). The EFT program is a quick and convenient way to transfer funds from your account to the OTC account without writing and mailing a check. More information on this program can be found on the web site or by calling the EFT Section at (405) 522-0214.

Did You Know?

Fact: The State of Oklahoma enacted the withholding tax in 1961.

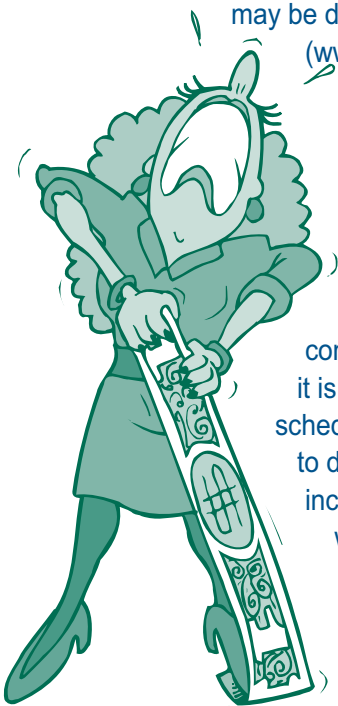
Fact: Currently, Oklahoma has close to 90,000 active withholding accounts.

Fact: In FY99, the OTC collected \$1,854,880,704.90 in withholding taxes.

A commonly asked question by employers is if Oklahoma has a separate withholding certificate for state purposes. Currently we ask that employers use the Federal W-4 form to determine state withholding as well as federal withholding. Employers should then use the Oklahoma Withholding Tables in computing the amount of Oklahoma income tax to be withheld from employee wages each pay period.

Maintaining your records is another important part of the withholding process. Employers are required to keep records for at least four years after the due date of a withholding tax return, or the date it was paid, whichever is the latter. Specific records required, by the OTC, to be kept are: copies of all returns, reports and other documents concerning withholding taxes and appropriate wage and tax statements; the dates and amounts of withholding payments made; and copies of canceled checks.

If you have any questions about withholding taxes, or need information pertaining to your company withholding account, give our Taxpayer Assistance Division a call at (405) 521-3160 or toll-free at 1(800) 522-8165. You can also address any questions you may have online at www.oktax.state.ok.us.



Calendar Time

Mark Your Calendar: Due Dates for Fall 2000 Tax Reports/Remittances

October 10
November 10
December 10

- Beverage ID Stamps • Beverage Tax
- Cigarette Tax • Liquor and Wine (Spirits)
- Strong Beer • Gross Production

October 15
November 15
December 15

- Mixed Beverage Tax • Sales Tax
- Tobacco Tax • Tourism Tax • Use Tax
- Vehicle Rental Tax • Waste Tire Fee
- Employee Income Tax Withholding

October 20
November 20
December 20

- Rural Electric Co-Op Tax
- Special Fuels Reports: LPG/CNG

October 25
November 25
December 25

- Underground Storage Leakage Indemnity
- Motor Fuel (Diesel and Gasoline)

October 27
November 27
December 27

- Motor Fuel - Diesel and Gasoline
(Suppliers and Bond Importers)

October 31
November 30
December 31

- Gross Production Tax (Remittance)

Quarterly Due Dates
October 15

- Employee Income Tax Withholding
- Group Self Insurance Guaranty Fund
- Individual Self Insurance Guaranty Fund
 - Occupational Health and Safety
 - Special Indemnity Fund
 - Workers Compensation

Quarterly Due Dates
October 31

- Diesel Fuel - Importer
- Gasoline - Importer
- International Fuel Tax Agreement



If a due date falls on a weekend or holiday then the reports are due the next working day.

Oops! Tips to Avoid Common Errors

Although no one likes to make mistakes, it eventually happens even to the best. Taking time to follow these tips will not only help to avoid errors, but also ensure that your account is updated with the correct information.

Verify that checks or payment vouchers are filled out correctly. Make sure that the payee is "Oklahoma Tax Commission" or "OTC". Also double check that the written and numerical money amounts match each other and also the report.

Many businesses file more than one tax type with the OTC. It's easy to get the withholding report, sales report, and even tourism reports and remittances mixed together. To assure proper crediting to your accounts, mail each report and matching remittance in the return envelope provided. Avoid mailing more than one report per remittance. If you've misplaced your return envelope, visit our web site for mailing addresses for each tax type.



If you don't have a pre-printed reporting form be sure to fill in all the required account information on the blank report. This includes the account number, account name and address, along with the filing period that the report is covering. Blank reports can be obtained from the OTC web site at www.oktax.state.ok.us or by calling our Taxpayer Assistance Division at (405) 521-3160 or toll-free in Oklahoma at 1 (800) 522-8165.

Double check those math figures. Sometimes it's the easiest calculations that we make a mistake on. However, if you discover later on that a mistake was made in reporting we'll be happy to work with you on correcting the account.



Again, just give our Taxpayer Assistance Division a call and our representatives will provide you with information on how to correct your account.

1,2,3 Contact Us...

Do you have questions about a current account? Are you interested in setting up a new account and need to know how to get started? Contacting us is as easy as one, two, three...

1 Taxpayer Assistance 521-3160

(business tax issues, gross production, sales tax issues, business registration, income tax assistance, franchise taxes, motor fuel questions, withholding taxes)

During peak times, your call may be placed on hold.

Please wait for the next available operator.

Toll Free Number (<i>Oklahoma only</i>)	(800) 522-8165
Telefile (<i>Sales Tax-no taxes due only</i>)	(877) 829-2002
FaxBack (Forms by Fax)	522-0465
Forms Request	
Business Tax Forms	521-4667
Income Tax Forms	521-3108
Audit Division	521-3251
Ad Valorem Division	521-3178
Collections Division	521-3281
Legal Division	521-3141
Motor Vehicle Division	521-3221

(All numbers are 405 area code unless otherwise indicated.)

2 If you have a computer and internet service, visit our site at www.oktax.state.ok.us. We have downloadable forms, along with many other key information elements. The opportunity for you to e-mail questions or comments to agency personnel is also available on the site. While we try to answer all e-mails in a timely manner, please be patient during peak filing periods. When possible, please include name, address, and a phone number if you would prefer an answer by phone.

3 Visit one of our locations. We have offices located in Oklahoma City, Tulsa, McAlester, Ardmore, and Lawton. Check the front of this newsletter for addresses and phone numbers to these offices.