

Attention!

The following PDF image of the Oklahoma Business Bulletin has been adapted for faster downloads from the internet.

This publication is mailed out in its full version quarterly. If you would like to have your name added to our mailing list, please contact us via one of the formats below:

- 1. Phone (405) 521-3637**
- 2. Fax (405) 522-1711**
- 3. Mail: Oklahoma Tax Commission
Communications Division
2501 North Lincoln Blvd.
Oklahoma City, OK 73194**
- 4. E-mail: publications@oktax.state.ok.us**

Thank you.

Oklahoma Business Bulletin



A Publication of the Oklahoma Tax Commission

The Oklahoma Tax Commission has several convenient locations available to serve taxpayers all across the state. Listed below are the state offices, addresses and telephone numbers.

Oklahoma City •

(405) 521-3279
2501 N. Lincoln Blvd.

(405) 522-0789

Shepherd Mall
NW 23rd and Villa

Tulsa •

(918) 581-2399
440 South Houston

McAlester •

(918) 426-0777
1533 South Main

Lawton •

(580) 248-8440
1602 NW Lawton Ave. #B

Ardmore •

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

In-State Toll Free •

1 (800) 522-8165
• extension 1-3279

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

Questions and/or comments regarding this publication should be directed to the Communications Division at (405) 521-3637, or by writing to: Oklahoma Tax Commission, Communications Division, 2501 N. Lincoln Blvd., Oklahoma City, OK 73194.

What's New on the OTC Website?

To bring you, the taxpayer, up to date information is a goal with many of our publications and also the Agency's Website. At www.oktax.state.ok.us you can find tons of helpful information, forms, and links to other beneficial websites.

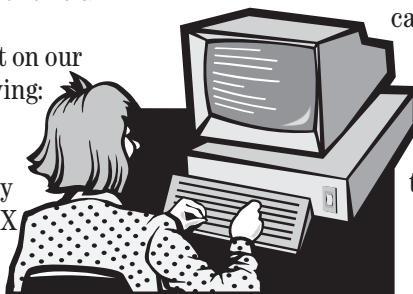
Some items of interest on our website include the following:

A page to check the monthly tax rate on gross production. The emergency passage of House Bill 1003X lowers the state gross production tax on oil for two and a half years: between Jan. 1, 1999, and July 1, 2001. The assessment remains at 7 percent if the price of crude oil is higher than \$17 per 42-gallon barrel. The tax drops to 4 percent if the average price falls below \$17 per barrel. The levy would again be dropped to 1 percent if the price of crude oil plunges below \$14 per barrel. Persons filing gross production taxes can check our site monthly to see the tax rate.

Tax forms, tax forms, tax forms. We have available all the forms for any of your income tax needs. Also available are the New Business Registration Packet and Employers Withholding Tables. And, with a tentative date of May 1, many of the business tax forms (sales, withholding, tourism, etc.) will be made available in a downloadable pdf format.

Learn how to make your payments through Electronic Funds Transfer (EFT). EFT is designed to move tax payments faster, however, it can also offer you a number of benefits. With EFT the cost and time to generate and sign a check is eliminated. You know

exactly when your account will be debited. You can be assured that the funds will be received timely. EFT prevents confusion associated with postal delays, so you are less likely to receive delinquent tax notices. Also, EFT



can be implemented without significant up front investment, such as additional computers or remittance processing hardware.

Sales and Use tax rates. With new rates going into effect all the time this is one of the most requested pieces of information by businesses. This chart is updated on a quarterly basis and is usually posted to our site on the last business day of the month, and no later than the first business day of the next month.

Online individual income tax filing. Join us this year in our free electronic filing program. (Both your Federal and Oklahoma returns must be filed together to qualify for this free program.) Not only can you file your taxes free but also available on the filing site is a section for you to input and update your personal tax records on a yearly basis. Just think, you could get rid of that battered old shoebox you keep all the paper scraps in.

E-mail links to send in your questions. Our representatives search out answers to questions you have. Please note however that our e-mails are answered on a first in, first out basis. During peak times responses may take a little longer than normal.

So remember, next time you want to contact us, why not try surfin' the net?

Tax Tidbits...

Rules, Rules, Rules...

Taxpayers can obtain copies of the Oklahoma Tax Commission Rules through requests to our Taxpayer Assistance Division by calling (405) 521-3160. Please note that if you know which set of rules you want your order can be taken by phone. However, if you are unsure of which rules you need, an order form will be sent out to you.

Sales Tax Reporting...

Even if a taxpayer did not have sales during one month, a report is still due for that particular period. On a sidenote, if you do have a sales tax report with no taxes due, take advantage of our Telefile system, toll-free at 1 (877) 829-2002.

Sales Tax and the Internet...

Did you know that Internet access charges are not subject to sales tax? However, sales of other services or tangible personal property made via the Internet are taxable.

Non-taxable internet transactions:

- Access charges, including access services that allow a customer to be routed to the net through a service-provider's service or router.
- Charges for designing or storing information for a "website or home page" or a server, including "set up" charges, etc.
- Charges for "electronic data processing services".
- Sales of advertising space.

Taxable internet transactions:

- Sales of tangible personal property through the Internet if the goods are sold to the purchaser in Oklahoma or shipped into Oklahoma.
- Canned computer software if transferred from seller to buyer in a manner not solely via the Internet.
- Lease or purchase of other hardware or software by Internet access providers, for using in providing services to subscribers. However, the purchase of interstate private line service is exempt.

New MLEC Cards Issued

As allowed in HB 2754, new Manufacturers Sales Tax/Exemption Cards have been issued to all manufacturers who responded to our recent mail-out.

Your business should continue to honor the "old" card. However, please advise all customers who do not have the new card to contact our Taxpayer Assistance Resource Center in one of the following ways:

In-State Toll Free: 1 (800) 522-8165 ext. 1-3279

Local: (405) 521-3279

Fax: (405) 522-0576

E-Mail: helpmaster@oktax.state.ok.us

EFT: The Way to Pay Your Taxes

In 1994, the Electronic Funds Transfer (EFT) program was initiated to provide a means for the movement of funds and limited taxpayer account information through the banking system. The EFT program began with Gross Production taxes followed by Sales and Withholding taxes and has since expanded to a total of 27 taxes. The use of the EFT program is voluntary with the exception of Motor Fuel taxes that, by law, are mandatory.

There are various benefits to the EFT program: 1) the cost and time to generate and sign a check is eliminated; 2) you know exactly when your account will be debited; 3) you are assured the funds are received timely; 4) EFT prevents any confusion associated with postal delays; and 5) the program can be implemented without significant up-front investment.

Taxes and fees that are payable through the EFT program are: Sales, Tourism, Waste Tire Recycling Fee, Income, Estimated, Gross Production (Oil, Gas Conservation, Gas, Marginal Well Fee, Oil Resource Fee), Motor Fuel (Diesel, Special Fuel Decal, Storage Leakage, Gasoline, Special Fuel, Imported Motor Fuel Tax), Motor Vehicle (Rental Tax), Use Tax (Retailer and Consumer), Telephone Surcharge, Income Tax Withholding, Motor Vehicle Prorate (IRP), and Imported Motor Fuel Tax (IFTA).

If you are interested in participating in the EFT program, the Cashier/Deposit office of the Management Services Division will mail a booklet that explains the EFT system and also includes an Authorization Agreement form that is to be completed and mailed in for further registration. Or you can visit our website at www.oktax.state.ok.us for all of the requirements to set your accounts up on EFT.

Taxpayers may choose one of two payment options; the first option is called an ACH Debit method and involves the State Treasurer's office. The company calls in their transaction to the Bank of Oklahoma using a touch-tone telephone, the bank transmits this information overnight to the State Treasurer's office and the following day, the State Treasurer's office will create a debit to the company's designated account.

The second option is the ACH Credit method. This option has the com

Are You Confused by the New Withholding Booklet?

••• Help Is Here!

With the issuance of the revised withholding tables (dated December 1998), we realize that there was some information left out. For those employers that use the computer formula to figure payroll taxes please note the following changes to the Withholding Booklet.

- Page 20
Withholding Calculations for Married Persons with Dual Incomes...
Eliminate the sentence that reads "Withholding is calculated at the single rate and then multiplied by 1.16."
- Page 24 **Table Three...**
In the withholding table, on the withholding amount column, the mathematical equations should have parenthesis around the first three numbers in the right column, with brackets around the percentage amounts. For example with brackets the information should read: $(\$5.00 + [1\% \text{ over } \$1,000]) \times 1.16$
- Page 24 **Bottom of Page Instructions...**
Eliminate the "x 1.16" in the formula given to figure withholding for gross wages exceeding \$22,560 for determining total withholding.
- Page 25 **Example 2(B)...**
Based on the above changes, Example 2 (B) changes by eliminating the 1.16 multiplier and should now read as follows:

$$\begin{aligned} \text{Total Withholding} &= 1,013 + \{.0675 \times (72,560 - 22,560)\} \\ &= 1,013 + [.0675 \times 50,000] \\ &= 1,013 + 3375 \\ &= 4,388 \end{aligned}$$

Divide 4,388 by number of pay periods and round.

Should you have any questions regarding these changes or any other withholding matters, please do not hesitate to contact our Taxpayer Assistance Division at 405-521-3160 or e-mail us at: helpmaster@oktaxt.state.ok.us.

Tax Tidbits: Business Restart Options

Did you know that if a sales tax permit holder has previously notified the Tax Commission that he/she is no longer in business, but wants to start the business again, the original permit can be reactivated under the following conditions:

- If the business has not been closed more than three months and if no taxes are owed.
- Zero (0) tax due reports must be filed for the period the business was not operating. ■

New Withholding Tables Available

Did you get your new 1999 withholding tables for employers? The Oklahoma Tax Commission recently revised and revamped the tables and mailed them in December 1998. If you have not received your tables, or need a copy, please do not hesitate to contact us.

You can get tables downloaded off our Publications link on the agency website at www.oktax.state.ok.us.

If you do not have access to the Internet you can call our Taxpayer Assistance Phone Bank at (405) 521-3160.

The withholding tables are also be available at all of our branch offices. To locate our offices, please consult the front page of this newsletter for towns, addresses and phone numbers. ■

1999 Holiday Closings

The offices of the Oklahoma Tax Commission along with other state and federal agencies will be closed to observe the following holidays for the remainder of the year.

Monday, May 31

Memorial Day

Monday, July 5

Independence Day

Monday, September 6

Labor Day

Thursday, November 11

Veterans Day

Thursday, November 25

Thanksgiving Day

Friday, November 26

Thanksgiving

Friday, December 24

Christmas Day ■

Business Workshops Provide All Ages of Business with Knowledge

Did you know the Oklahoma Tax Commission offers business workshops to both the new and existing business owner?

New Businesses...

For a new business or an individual thinking about setting up a business in Oklahoma, the workshop offers information on formation, business structures, steps for formation types such as incorporation steps, a step-by-step guide to business registration, bookkeeping techniques, and a line-by-line explanation of the primary business tax forms.

The workshop participant will learn the keys to sales tax registration and collection, along with helpful tips on rate tables, reporting formats and exemptions.

Existing Businesses...

For an existing business, the workshop offers information on the keys to sales tax registration and collection, along with helpful tips on rate tables, reporting formats and exemptions. Participants will also learn the steps to filling out the various business tax forms and which forms and tax laws have changed based on the latest legislative decisions.

Workshops are scheduled in various areas and towns. For a listing of workshops or to register for a workshop, please call (405) 521-3279. To have a workshop set up in your area, please call (405) 521-4578. ■

EFT...

• continued from page 2

pany contacting their bank and authorizing the movement of money from their bank account to a designated account for the Tax Commission at BankOne.

Once this form is received and entered into the computer, the company is notified of their acceptance and given further instruction for the actual processing of their payment. Only after receiving confirmation of their registration may taxpayers begin sending their payments through the EFT program.

Since beginning the EFT program, the number of companies participating has increased steadily. In FY95 we received 513 payments through the EFT program for a total of \$32,124,818; so far this fiscal year we have received 7,550 payments for a total of \$531,388,070!!

If a company is participating in the EFT program, they are still required to mail in their paper reports by the due date. However, we have a program called Electronic Data Interchange (EDI) for electronically filing reports for Sales Tax, Withholding Tax, Prorate Tax, Gross Production Tax and Motor Fuel Tax for those registered for these tax types in the EFT program. This uses a bulletin board system that the taxpayer accesses through their computer and is maintained by our MIS Division.

The EFT program is managed by the Cashier/Deposit office of the Management Services Division and can be reached at 522-0214. ■

How Can I Reach the Tax Commission?

In the age of technology, contacting the Tax Commission is as easy as picking up the phone, dialing for a fax, or even turning on your computer.

Taxpayer Assistance

521-3279 or 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.)

In-State Toll Free Number

1 (800) 522-8165

Telefile

(Sales Tax - no taxes due only)

1 (877) 829-2002

FaxBack (Forms by Fax)

(405) 522-0465

Forms Request

Business Tax Forms 521-4667

Income Tax Forms 521-3108

Audit (405) 521-3251

Ad Valorem (405) 521-3178

Collections (405) 521-3281

Legal (405) 521-3141

Motor Vehicle (405) 521-3221

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 seasons. When possible, please include name, address, and a daytime phone number if you would prefer us answer by phone. ■

