

OKLAHOMA TAX COMMISSION
NOTICE TO VENDORS OF PENALTIES FOR VIOLATING
THE OKLAHOMA SALES TAX CODE
68 OS SECTION 1350 ET SEQ.

As a holder of an Oklahoma Sales Tax Permit, you are hereby provided notice of the following penalties for violation of the Oklahoma Sales Tax Code:

PENALTIES RELATED TO LATE FILING AND FAILURE TO FILE	
Violation:	Fail to timely file a return within 15 days after the tax is due.
Penalty:	10% of the total tax due.
Authority:	68 OS Section 217
Violation:	Fail to file within 10 days after written demand has been served.
Penalty:	25% of the total tax due.
Authority:	68 OS Section 217
Violation:	Are deficient due to fraud with the intent to evade tax.
Penalty:	50% of the total tax due.
Authority:	68 OS Section 217
Violation:	Failure or refusal to file report or return.
Penalty:	A fine of up to \$5,000 or imprisonment for up to 1 year, or both.
Authority:	68 OS Section 240
Violation:	False return or return with intent to defraud.
Penalty:	A fine of up to \$5,000 or imprisonment for between 2 and 5 years, or both.
Authority:	68 OS Section 240.1
PENALTIES FOR VIOLATIONS RELATED TO RECORDS AND DOCUMENT KEEPING	
Violation:	Provide false or fraudulent reports or returns.
Penalty:	A fine of not less than \$1,000 and up to \$50,000 or by imprisonment for not less than 2 years and up to 5 years, or both.
Authority:	68 OS Section 241
Violation:	Make false entries or neglect to make entries where required by law.
Penalty:	A fine up to \$5,000 or imprisonment for up to 1 year, or both.
Authority:	68 OS Section 242
Violation:	Furnish a false affidavit to the vendor for the purpose of evading payment of sales tax.
Penalty:	Fined an amount equal to double the amount of sales tax involved or incarcerated for not more than 60 days or both.
Authority:	68 OS Section 1356, Paragraph 17
Violation:	Furnish a false affidavit to the vendor for the purpose of evading payment of sales tax.
Penalty:	Subject to penalties provided by law.
Authority:	68 OS Section 1356, Paragraph 37

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PENALTIES FOR VIOLATIONS RELATED TO RECORDS AND DOCUMENT KEEPING (CONTINUED)

Violation: File a return or report containing insufficient information to determine correctness of tax liability, including: failure to file required tax returns or reports in processible form, making spurious constitutional claims on the face of the return or report, refusal to complete the return or report, presenting information that is clearly inconsistent, or declaring "gold standard" or "war tax" deductions or any other similar claim with the intent not to file required tax returns or reports in a processible form.

Penalty: A penalty of \$5,000 in addition to any other penalty imposed by law.

Authority: 68 OS Section 247

Violation: Knowingly verify, by oath, affirmation, or declaration, any false report or false return or other matter which is false, which by statute is required to be verified by oath, affirmation, or declaration and filed with the Tax Commission.

Penalty: A fine not less than \$500.00 and not more than 5,000.00, or imprisonment in county jail for at least 90 days but no more than 1 year; or by imprisonment in a state correctional institution for not less than 90 days, or more than 10 years, or by both fine and imprisonment.

Authority: 68 OS Section 246

PENALTIES FOR VIOLATIONS IN RELATION TO SALES PERMITS

Violation:

- a) Violate any provisions of any state tax law;
- b) Violate any rules and regulations promulgated by the Tax Commission for the administration and enforcement of any state tax law;
- c) Fail to observe or fulfill the conditions upon which the license or permit was issued;
- d) Fail to pay any delinquent tax or penalty.

Penalty: Cancellation of or refusal by the Commission to issue, extend, or reinstate any license, permit or duplicate copy thereof.

Authority: 68 OS Section 212

Violation: Conduct business or activities without a sales tax permit.

Penalty: Penalty in the amount of \$5,000 or imprisonment in the county jail for up to one year; enjoined from further operation.

Authority: 68 OS Section 238

Violation: Continue to conduct business or operations after forfeiture of required bond.

Penalty: \$5,000 fine or imprisonment for up to one year; enjoined from further operating.

Authority: 68 OS Section 239

Violation: Engage in a business of reselling tangible personal property or services within this state without a permit or permits, or after a permit has been suspended.

Penalty: 1st Violation: Fine of up to \$1,000.

2nd or subsequent violation: Fine of up to \$5,000 or imprisonment up to 2 years, or both.

Authority: 68 OS Section 1364

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PENALTIES FOR VIOLATIONS IN RELATION TO SALES PERMITS (CONTINUED)	
Violation:	Willfully or intentionally use a sales tax permit or direct payment permit which is invalid, expired, revoked, canceled or otherwise limited to a specific line of business; or willfully or intentionally issue a resale certificate to a vendor to evade tax.
Penalty:	Penalty in the amount of \$500 per reporting period.
Authority:	68 OS Section 1361
Violation:	Willfully or intentionally refuse to honor a 100% disabled veteran's sales tax exemption.
Penalty:	<u>1st Offense:</u> An administrative fine of \$500 per offense. <u>2nd or subsequent offense:</u> Constitutes a misdemeanor and a fine of \$500 per such offense in addition to any administrative fine.
Authority:	68 OS Section 1357, 1361.1 OAC 710:65-7-17.1
Violation:	Use an exemption permit or provide proof of eligibility to purchase, exempt from sales tax, items not authorized for exemption by law.
Penalty:	Penalty of \$500.
Authority:	68 OS Section 1358.1 OAC 710:65-13-18

PENALTIES RELATED TO THE COLLECTION OR NON-COLLECTION OF SALES TAX	
Violation:	a) Willfully or intentionally fail, neglect or refuse to comply with and collect the full amount of sales tax levied, b) Remit or rebate all or part of the sales tax to be collected to the consumer or user, c) Advertise in any way implying that the vendor is absorbing the tax or paying it for the consumer.
Penalty:	<u>1st Offense:</u> Fine up to \$500. <u>2nd or other subsequent offense:</u> Fine up to \$1,000, or incarceration for up to 60 days, or both.
Authority:	68 OS Section 1364
Violation:	Write the Tax Commission a bad check in an amount less than \$500.
Penalty:	A \$25 fee in addition to a fine of up to \$1,000 or a term of imprisonment for up to 1 year, or both.
Authority:	68 OS Section 218.1
Violation:	Knowingly write the Tax Commission a bad check (or two or more) in an amount of \$500 or more.
Penalty:	A \$25 fee in addition to a fine of up to \$5,000 or a term of imprisonment for up to 10 years, or both.
Authority:	68 OS Section 218.1
Violation:	Wrongfully or erroneously certify that sales tax exempt purchases are for the party and/or purpose as reflected in the statute granting the exemption.
Penalty:	Fine in an amount equal to double the amount of sales tax involved or incarceration for up to 60 days or both; or, in some cases, a penalty of \$500.
Authority:	68 OS Sections 1356, 1358, 1358.1

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PENALTIES RELATED TO THE COLLECTION OR NON-COLLECTION OF SALES TAX (CONTINUED)

Violation: Claim an exemption for which you are not eligible.
Penalty: Purchaser is held personally liable for any tax, penalty, and interest resulting from purchaser claiming the exemption.
Authority: OAC 710:65-7-21

MISCELLANEOUS PENALTIES

Violation: Fail to pay delinquent taxes.
Penalty: The greater of:
 \$15 or an amount equal to 10%, but not to exceed \$200, of the total amount of tax, penalty and interest,
Or
 The actual liability at the date of issuance of the warrant.
Authority: 68 OS Section 231.1

Violation: Apply for a refund for sales of items when the purchases were not authorized by law.
Penalty: \$500.
Authority: 68 OS Section 1356

Violation: Are convicted, enter a plea of guilty, or enter a plea of nolo contendere to a violation of a tax law of this state.
Penalty: 10% of the total tax, penalties and liabilities due.
Authority: 68 OS Section 1356

Violation: Willfully and knowingly sell, purchase, install, transfer, or possess in this state any automated sales suppression device or zapper or phantom-ware.
Penalty: a) Imprisonment of not less than 1 nor more than five (5) years, a fine not to exceed \$100,000.00, or both,
 b) In addition, there shall be imposed an administrative fine of \$10,000.
 c) Immediate revocation of sales tax permit and ineligibility for a sales tax permit for a period of ten years.
Authority: 68 OS Section 212.1

Violation: Effective November 1, 2012, fail to remit sales tax or file a required report three (3) times within a consecutive twenty-four (24) month period.
Penalty: Business closure if taxpayer fails to pay in full or enter into an approved pay plan.
Authority: SB 1984