



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1920-118

File ID: K-1920-118

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 36

In Control: City Council

Department: Finance Department

Cost:

File Created: 02/17/2020

File Name: Use Tax and Sales Tax OTC

Final Action:

Title: CONTRACT K-1920-118: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE OKLAHOMA TAX COMMISSION FOR THE ADMINISTRATION OF SALES TAX AND USE TAX.

Notes: ACTION NEEDED: Motion to approve or reject Contract K-1920-118 with the Oklahoma Tax Commission; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 02/25/2020

Agenda Number: 36

Attachments: K-1920-118, Letter from Tax Commission

Project Manager: Anthony Francisco, Finance Director

Entered by: ellen.usry@normanok.glov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-1920-118

body

BACKGROUND: The Oklahoma Tax Commission (OTC) has served as the collection agent for municipalities throughout the state for many years.

DISCUSSION: There are obvious advantages for centralized collection of sales taxes by the State of Oklahoma, as municipal sales tax ordinances are tied in almost all cases to the items that are taxed at the state level (that is, the same things that are granted exemptions at the state level are granted exemptions at the city/county level). There are economies of scale in centralized tax collection and enforcement efforts. Having one collection agency makes it much easier for businesses to remit the taxes that are due and this singular collection point qualifies Oklahoma to participate in the national Streamlined Sales Tax Agreement, whereby on-line

retailers agree to pay use tax for their sales delivered within Oklahoma. The City of Norman pays the Tax Commission for its sales and use tax administration, collection and enforcement efforts in the form of a withholding of one-half percent of the taxes collected for the City.

The proposed new Agreement is attached. This agreement increases the Sales and Use Tax rate to 4.125% effective April 1, 2020.

RECOMMENDATION: It is recommended that Contract K-1920-118 be approved.