



M2K Advisors



# TAXATION IN OKLAHOMA

# Franchise Tax

Every corporation organized under the laws of Oklahoma or qualified to do or doing business in Oklahoma in a corporate or organized capacity by virtue or creation of organization or any other state, territory, district, or a foreign country, including associations, joint stock companies and business trusts as defined by the state statutes unless exempt by statutes must file Annual Franchise Tax Return Form 200.

The form requires information about the entity's business activities, capital stock, and paid-in capital. The franchise tax for corporations doing business both within and outside of Oklahoma, is computed on the proportion:

- To which property owned, or property owned, and business done, within Oklahoma.
- Bears to total property owned, or total property owned, and total business done everywhere.

The due date for filing the Oklahoma franchise tax return is on or before July 1st of the year unless a Franchise Election Form 200-F has been filed. Form 200-F is filed to change the franchise tax filing date for a corporation. Form 200-F must be filed no later than July 1.

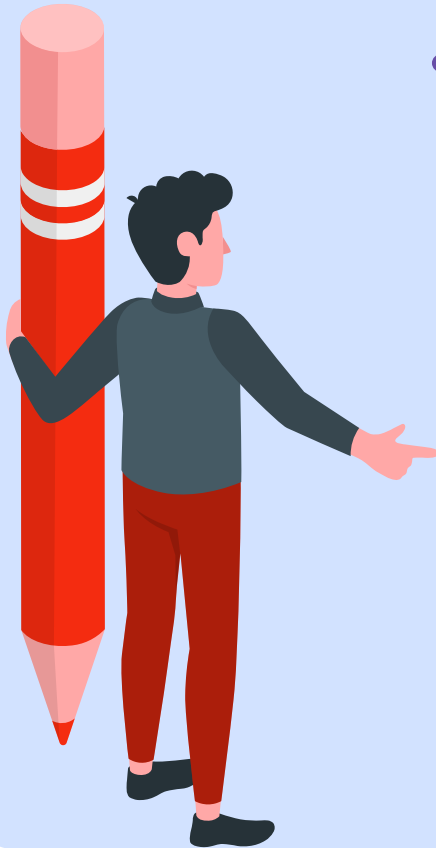
The franchise tax return is filed using the Oklahoma Annual Franchise Tax Return Form 200. The maximum annual franchise tax is USD 20,000. If a taxpayer computes the franchise tax due and determines that it amounts to USD 250 or less, the taxpayer is exempt from the tax and a “no tax due” Form 200 is required to be filed.

A report and tax is delinquent if not paid or filed by the due date. A 10% penalty and 1.25% interest per month are due on the payments made after the due date.



# C Corporation Tax (1/2)

Any corporation doing business within or deriving income from sources within Oklahoma is required to file an Oklahoma Corporation Income Tax Return, whether a tax is due or not.



**Due date** - Corporate returns shall be due no later than 30 days after the due date established under the Internal Revenue Code (IRC).

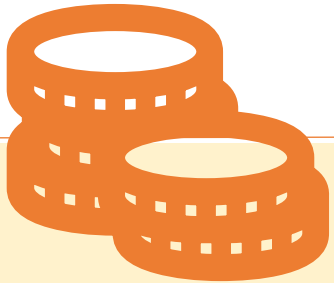
**Filing Requirement** - C corporations in Oklahoma must file the Oklahoma Corporation Income Tax Return Form 512 to report their income, deductions, and tax liability.

**Extension** - If a taxpayer obtains a valid extension of time to file their federal return, it automatically extends the due date for their Oklahoma return if no Oklahoma liability is owed. In such cases, a copy of the federal extension must be submitted with the Oklahoma return. However, if there is no federal extension or if there is an Oklahoma liability owed, an extension for the Oklahoma return may be requested using Form 504-C. This form must be filed on or before the original due date of the return.

# C Corporation Tax (2/2)

## ESTIMATED TAX PAYMENTS

Corporations must make estimated tax payments when the tax liability for the current year can reasonably be expected to be USD 500 or more. The estimated tax payments shall be the lesser of 70% of your current year's tax liability or 100% of the tax liability shown on your return for the preceding taxable year of 12 months. Estimated tax payments can be made using Form OW-8-ESC, Oklahoma Corporation Estimated Tax Payment Vouchers. The estimated tax payment is due on 15th day of the fourth, sixth, ninth month of the taxable year and first month of the succeeding taxable year.



## PENALTY AND INTEREST

Interest at the rate of 1.25% per month shall be paid on the tax due from the original due date until the tax is paid. A delinquent penalty of 5% for late payment is levied if 90% of the tax liability is not paid by the original due date of the return.

**Note:** Corporations required to file a franchise tax return may elect to file a combined corporate income and franchise tax return. To make this election, file Form 200-F needs to be filed. Corporations not filing Form 200-F must file a stand-alone Oklahoma Annual Franchise Tax Return Form 200.

# S Corporation Tax (1/2)



S Corporations, which are pass-through entities for federal tax purposes, are required to file the Oklahoma S Corporation Income Tax Return to report information relevant to state taxes. Corporate returns shall be due no later than 30 days after the due date established under the Internal Revenue Code (IRC).

All corporations having an election in effect under subchapter S of the IRC engaged in business or deriving income from property located in Oklahoma and that are required to file a federal income tax return using Form 1120-S, must file an Oklahoma income tax return on Form 512-S.



A valid extension of time to file a federal return automatically extends the due date of an Oklahoma tax return if no Oklahoma liability is owed. A copy of the federal extension must be provided with the taxpayer's Oklahoma return. If the taxpayer's federal return is not extended, or an Oklahoma liability is owed, an extension of time to file the Oklahoma return may be granted on Form 504-C. Form 504-C must be filed on or before the due date of the return.

# S Corporation Tax (2/2)

## Estimated Tax Payment

S Corporations must make estimated tax payments when the tax liability for the current year can reasonably be expected to be USD 500 or more. The estimated tax payments shall not be less than 70% of the amount of tax due (tax liability less all credits except amounts paid on estimated tax and extension payments), or 100% of the prior year's tax liability. Estimated tax payments can be made using Form OW-8-ESC, Oklahoma Corporation Estimated Tax Payment Vouchers.

## Interest & Penalty

If the return is delinquent filed, an interest at the rate of 1.25% per month must be paid on the tax due from the original due date until paid. To avoid a delinquent penalty charge of 5% for late payment, 90% of the tax liability must be paid by the original due date of the return.



# Partnership LLC & LLP Tax

Every partnership, LLCs, LLPs including syndicates, groups, pools, joint ventures, or other unincorporated organizations (exclusive of trusts, estates or corporations defined by the Act), having Oklahoma source income, shall make a return of income on Form 514. Each partner having Oklahoma source income sufficient to make a return, shall make such return as required by law.

## Filing Requirements & due date

Partnership LLCs and LLPs in Oklahoma must file the Oklahoma Partnership Income Tax Return Form 514 to report their income, deductions, credits, and tax liability.

Partnership returns are due no later than 30 days after the due date established under the IRC.

## Estimated Tax Payment

Partnership LLCs and LLPs must make estimated tax payments using Form OW-8-ESC when their current year's tax liability is expected to be USD 500 or more, with payments being the lesser of 70% of the current year's liability or 100% of the previous year's tax shown on the return.

## Extension of Time

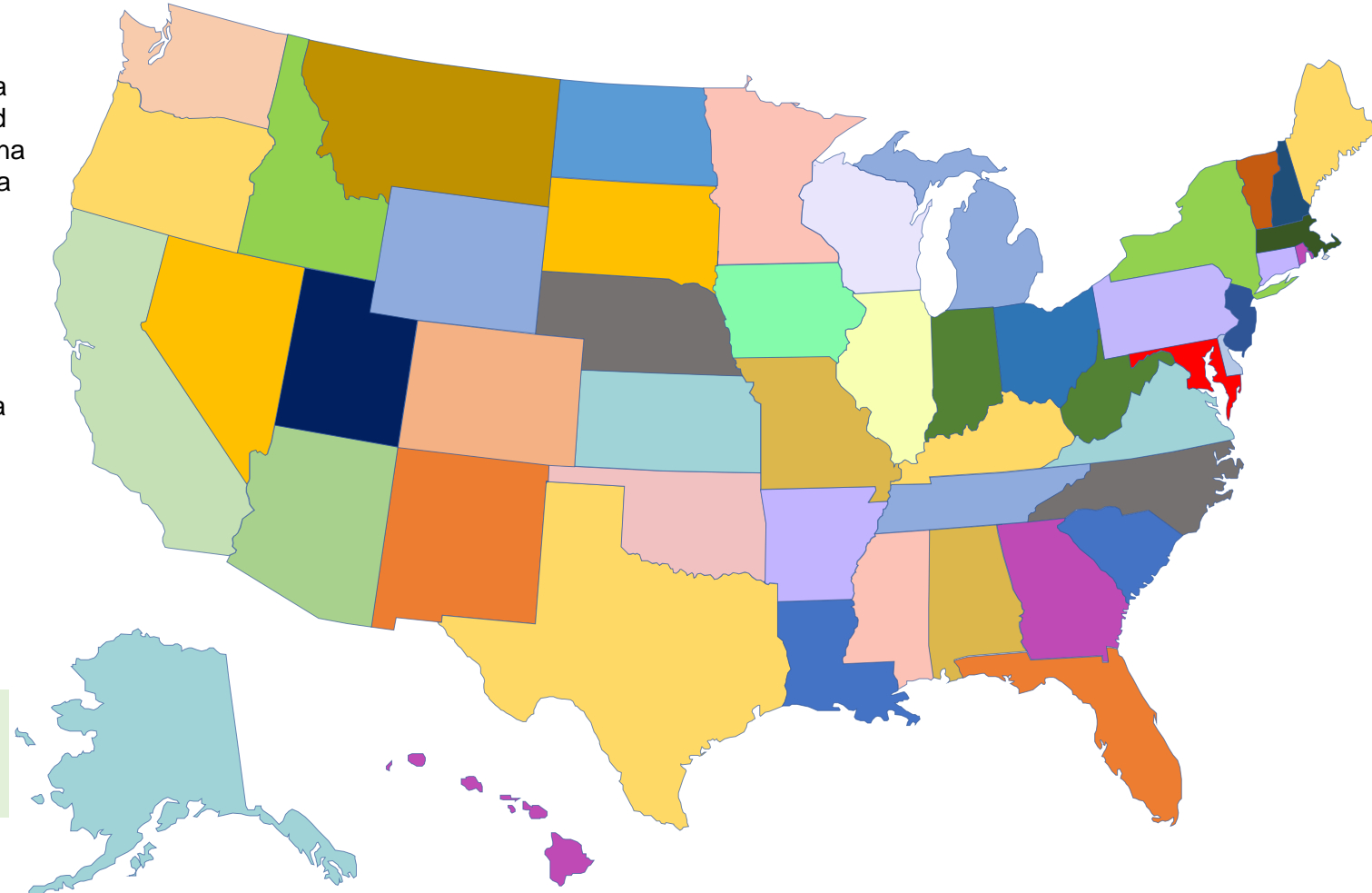
A valid federal extension automatically extends the Oklahoma return due date by 6 months if no state liability is owed. Otherwise, a 6 month Oklahoma extension can be requested through Form 504-C which is to be filed by the original due date in case of no federal extension or owed Oklahoma liability.

**Note – The Interest & Penalty is same as S corporation for Partnership LLC & LLP**

# Upcoming Series

Please find below the list of completed alerts from the series. In case you have missed the previous alerts, click on the hyperlink [USA PUBLICATIONS](#) for the completed alerts.

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