

- Net operating losses may be carried forward 15 years and may be carried back two years for most companies.
- Corporate Income Tax returns are due by March 15th or by the 15th day of the third month after the end of the taxable year.
- Oklahoma recognizes an automatic extension granted by the Internal Revenue Service. A copy of that extension request should be attached to the Oklahoma return. A taxpayer may request original or additional extension on form 504. A corporation may request an extension of up to one month in excess of the federal extension.
- Generally, tax estimate payments are due quarterly or as specified on vouchers: April 15th, June 15th, September 15<sup>th</sup>, and January 15th; however, if the tax return is filed and payment made by January 31st, the January 15th payment does not have to be made.
- Taxpayers with Oklahoma taxable income of at least \$1 million in one of three preceding years may annualize estimates as is allowed in the Internal Revenue Code on federal taxable income.

Withholding reports from businesses are due weekly, monthly (large companies), or quarterly (small companies). Every employer owing an average of \$100,000 or more per month shall make deposits semi-weekly in accordance with federal schedules. Employers owing an average of \$10,000 but less than \$500 must pay monthly; less than \$500 pays quarterly.

### 3. General Property (Ad Valorem) Tax

(68 O.S. § 2801 et seq.)

Property tax rates in Oklahoma are among the lowest in the United States. The tax is collected by county governments. There is no state property tax. The average effective tax rate for locally assessed property is about 1% of the value of the property. The average effective tax rate is determined by the amount of tax divided by the market value. Property taxes are stable in Oklahoma. In 1996, Oklahoma limited the amount of fair cash value that can be increased from year to year to 5%. Transfers or improvements, however, are assessed at market value the following January 1st.

About two-thirds of the property tax is used for the support of local schools, with lesser portions going to county government, cities, career technical schools, junior colleges, health departments, libraries, and emergency medical service districts. Inventories are valued according to the average amount on hand during the preceding year, or the average amount on hand during such part of the preceding year the inventory was at its January 1st location. The assessment procedure involves:

- A determination of location and the fair cash value.
- The application of a uniform assessment percentage to determine the assessed value.
- The application of the total mill levy by all eligible local taxing units, applicable to all property at its location to determine the amount of tax.

**Example:**

\$100,000 Property Value  
X 11% Assessment  
= \$11,000 Assessed