



Oklahoma State Auditor & Inspector

News Release

For Immediate Release

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June 21, 2012

State Audit to Begin on Tax Credits

State Auditor Gary Jones Says It's about Accountability for Taxpayers

OKLAHOMA CITY – State Auditor Gary Jones announced today his office will begin auditing certain tax credit programs administered by the Oklahoma Tax Commission (OTC).

“The Tax Credit Task Force identified numerous areas of concerns as a result of its lengthy review of all of Oklahoma’s various tax credit programs,” said State Auditor Gary Jones. “Among the recommendations submitted to the legislature was the need for these tax credits to be audited by the State Auditor to ensure compliance with statutory requirements granting the credit.”

Jones met with OTC Administrator Tony Mastin, who said their agency would cooperate in every way.

“We appreciate the Commission’s cooperation in these reviews to promote transparency and accountability in the collection of state tax revenue,” Jones said. “We already have the authority to audit OTC and to examine all documents or property necessary to comply with state tax laws.”

The authority of the State Auditor to examine all books, records and other documents of OTC was clarified by the Oklahoma Supreme Court in a 1980 decision in an action brought by OTC against former State Auditor Tom Daxon.

In its decision, Oklahoma’s high court concluded, “Clearly the State Auditor and Inspector of the State of Oklahoma is charged with the duties of ascertaining that the State tax laws and statutes have been executed, and as such is authorized to inspect the documents in questions.” The court also determined that Federal Statute contains no prohibition of review by the State Auditor.

“This is about doing the right thing on behalf of Oklahoma taxpayers,” Jones said.

The decision to move forward with auditing tax credit programs is not without a financial cost to the agency that has experienced flat or declining appropriated funding from lawmakers over the past several years. Nevertheless, Jones says, “We’ve improved efficiencies and made further cuts in administrative overhead that will assist us in paying for these audits. We will work with lawmakers next session in an effort to secure funding for what we view as critical to state government accountability and transparency. These aren’t just buzz words to us.

Jones said as the audits are completed, a copy of each final report will be provided to Governor Mary Fallin and legislative leaders as they move forward in consideration of the Tax Credit Task Force recommendations.

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