

INFORMATION FOR PRODUCTION COMPANIES AND LOAN-OUT COMPANIES



OKLAHOMA
Tax Commission

INFORMATION FOR PRODUCTION COMPANIES AND LOAN-OUT COMPANIES

REGISTERING, REMITTING, REPORTING, AND WITHHOLDING TAX

WITHHOLD INCOME TAX AT HIGHEST RATE

Production companies (or their payroll service providers) shall withhold Oklahoma income tax at the top rate (4.75% for 2025, and 4.5% for 2026 and subsequent years) on all payments to loan-out companies for services performed in Oklahoma. 68 OS Sec. 3633.

REGISTER FOR WITHHOLDING ACCOUNT

A production company that makes payments to a loan-out company for services performed in Oklahoma must electronically register with the OTC using OkTAP via **oktap.tax.ok.gov** to obtain an income tax withholding account.

A loan-out company that receives payments from a production company for services performed in Oklahoma must electronically register with the OTC using OkTAP via **oktap.tax.ok.gov** to obtain an income tax withholding account.

- If the loan-out company is domiciled out of state, it should inquire as to whether it may qualify to casually file returns.

FILE AND REMIT WITHHOLDING TAX PAYMENTS QUARTERLY

The production company shall electronically file withholding returns and remit withholding tax to the OTC quarterly, no later than the 20th of the month following the calendar quarter in which the withholding payments were required to be made.

- Payments shall be made electronically via OkTAP.
- If no payments are made within a quarter, a return must still be filed indicating zero withholding.

Loan-out companies: In-state loan-out companies that remit tax themselves shall file withholding reports quarterly. Out-of-state loan-out companies may inquire as to whether they qualify to file quarterly reports casually.

YEAR-END FILINGS

Form OW-21 Production Company Withholding Informational Form (informational only).

- Form OW-21 is available for the production company to provide information to each loan-out company to which it made payments for services performed in Oklahoma. It sets forth information about each company, identifies the withholding account number of the production company, and gives the total payment amount and withholding amount attributable to the loan-out company.
- The production company will provide a copy of the Form OW-21 to the Loan-out Company by January 15th following the calendar year in which the withholding payments were made. A copy should be kept by the production company for its records in case of audit.

Forms W-2s/1099s

- When the loan-out company issues W-2s or 1099s to its employees, it will allocate a portion of the withholding tax paid by the production company to each employee.
- The loan-out company shall use the information from Form OW-21 to complete the W-2s/1099s for its employees or contractors that provided services in Oklahoma for the production company.
 - The loan-out company will allocate a portion of the total amount of withholding tax identified in Part C of Form OW-21 to each of its employees or contractors and indicate that amount on the W-2s or 1099s provided to those individuals.
 - The loan-out company shall put the withholding account ID number of the production company in Box 15 of Form W-2 or Box 17 of Form 1099, whichever is applicable. This will link the withholding tax remitted by the production company to the individual filing the W-2/1099 with their income tax return.
- The loan-out company shall electronically file a copy of all W-2s/1099s/W-3s with the OTC no later than January 31st following the calendar year in which the withholding payments were made under the withholding account number of the production company.

CLOSURE OF ACCOUNTS

If either a loan-out company or a production company ceases doing business in Oklahoma, its withholding account should not be closed until all annual filings have been completed for the calendar year during which a withholding payment was made by (Production) or on behalf of (Loan-Out) the company.

- Quarterly withholding returns.
- W-2s/1099S/W-3s as applicable.

Zero filings should be filed during the periods in which no payments are made until such time as the account may be closed.