

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 CONFERENCE COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 HOUSE BILL NO. 2477

By: McCall of the House

and

Treat of the Senate

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10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to revenue and taxation; amending 68  
12 O.S. 2011, Section 238.1, which relates to state  
13 licenses; providing exception for persons not  
14 previously required to pay income tax or to persons  
15 based on residency within certain time period;  
16 removing penalty for failure to pay licensing fees;  
17 providing for garnishment of wages; and providing an  
18 effective date.

19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

20 SECTION 1. AMENDATORY 68 O.S. 2011, Section 238.1, is  
21 amended to read as follows:

22 Section 238.1 A. It is the intent of the Legislature that the  
23 provisions of this section operate to provide for the collection of  
24 income taxes due to the State of Oklahoma by persons holding state  
licenses in a manner that will maximize flexibility for licensees to

1 pay any such taxes due while minimizing disruption to operations of  
2 licensing entities. It is the further intent of the Legislature  
3 that the Oklahoma Tax Commission allow at least six (6) months  
4 notice to licensees pursuant to the provisions of subsection C of  
5 this section prior to notification of noncompliance to a licensing  
6 entity. Nothing in this section shall apply to a licensee who was  
7 not previously required to pay income tax or has moved to the state  
8 within the past year.

9 B. Each licensing entity shall, on a date that allows the Tax  
10 Commission to comply with the notice provisions of subsection A of  
11 this section, provide to the Tax Commission a list of all its  
12 licensees and such identifying information as may be required by the  
13 Tax Commission. Such list and information shall be used by the Tax  
14 Commission exclusively for the purpose of collection of income taxes  
15 due to the State of Oklahoma. The provisions of any laws making  
16 application information confidential shall not apply with respect to  
17 information supplied to the Tax Commission pursuant to the  
18 provisions of this section; provided, such information shall be  
19 subject to the provisions of Section 205 of this title.

20 C. The Tax Commission shall notify any licensee who is not in  
21 compliance with the income tax laws of this state. Such  
22 notification shall include:

23 1. A statement that the ~~licensee's license will not be renewed~~  
24 ~~or reissued~~ Commission shall proceed by garnishment to collect any

1 delinquent tax and to collect any penalty or interest due and owing  
2 as a result of a tax delinquency pursuant to Section 254 of this  
3 title until the taxpayer is deemed by the Tax Commission to be in  
4 compliance with the income tax laws of this state;

5 2. The reasons that the taxpayer is considered to be out of  
6 compliance with the income tax laws of this state, including a  
7 statement of the amount of any tax, penalties and interest due or a  
8 list of the tax years for which income tax returns have not been  
9 filed as required by law;

10 3. An explanation of the rights of the taxpayer and the  
11 procedures which must be followed by the taxpayer in order to come  
12 into compliance with the income tax laws of this state; and

13 4. Such other information as may be deemed necessary by the Tax  
14 Commission.

15 D. A licensee who has entered into and is abiding by a payment  
16 agreement, or who has requested relief as an innocent spouse which  
17 is pending or has been granted, shall be deemed to be in compliance  
18 with the state income tax laws for purposes of this section.

19 E. If the Tax Commission notifies a licensee who is not in  
20 compliance with the income tax laws of this state as required in  
21 this section and such licensee does not respond to such notification  
22 or fails to come into compliance with the income tax laws of this  
23 state after an assessment has been made final or after the Tax  
24 Commission determines that every reasonable effort has been made to

1 assist the licensee to come into compliance with the income tax laws  
2 of this state, the Tax Commission, ~~notwithstanding the provisions of~~  
3 ~~Section 205 of this title,~~ shall ~~so notify the licensing entity,~~  
4 ~~which shall not renew or reissue the licensee's license at such time~~  
5 ~~as it is subject to renewal or thereafter and shall notify the~~  
6 ~~applicant of the reason for nonrenewal or failure to reissue. If a~~  
7 ~~licensee who has been previously reported by the Tax Commission to a~~  
8 ~~licensing entity as being out of compliance comes into compliance,~~  
9 ~~the Tax Commission shall immediately notify the licensing entity. A~~  
10 ~~licensing entity shall not be held liable for any action with~~  
11 ~~respect to a state license pursuant to the provisions of this~~  
12 ~~section~~ proceed with the garnishment pursuant to paragraph 1 of  
13 subsection C of this section.

14 F. ~~If the Oklahoma Bar Association receives notice that a~~  
15 ~~licensed attorney is not in compliance with the income tax laws of~~  
16 ~~this state as provided in this section, the Bar Association shall~~  
17 ~~begin proceedings by which the attorney may be suspended pursuant to~~  
18 ~~Rule Governing Disciplinary Proceedings. If suspended, the attorney~~  
19 ~~may be reinstated pursuant to reinstatement procedures as provided~~  
20 ~~in the Rules Governing Disciplinary Proceedings.~~

21 G. The Tax Commission shall promulgate rules for the  
22 implementation of the provisions of this section.

23 H. G. As used in this section:  
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1 1. "State license" means a license, certificate, registration,  
2 permit, approval or other similar document issued by a licensing  
3 entity granting to an individual or business a right or privilege to  
4 engage in a profession, occupation or business in this state.

5 "State license" does not include an inactive license issued by a  
6 licensing entity which does not grant an individual the right to  
7 engage in a profession, occupation or business in this state; and

8 2. "Licensing entity" means a bureau, department, division,  
9 board, agency, commission or other entity of this state or of a  
10 municipality in this state that issues a state license; ~~and~~

11 ~~3. "Reissue" means to issue a state license to an individual~~  
12 ~~who has been in possession of an equivalent license issued by the~~  
13 ~~same licensing entity in the previous twelve (12) months.~~

14 SECTION 2. This act shall become effective November 1, 2019.

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16 57-1-8932 MAH 05/10/19

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