

1 ENGROSSED HOUSE
2 BILL NO. 2477

By: McCall of the House

3 and

4 Treat of the Senate

5
6 An Act relating to revenue and taxation; amending 68
7 O.S. 2011, Section 238.1, which relates to state
8 licenses; removing penalty for failure to pay
9 licensing fees; providing for garnishment of wages;
10 and providing an effective date.

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

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

14 Section 238.1 A. It is the intent of the Legislature that the
15 provisions of this section operate to provide for the collection of
16 income taxes due to the State of Oklahoma by persons holding state
17 licenses in a manner that will maximize flexibility for licensees to
18 pay any such taxes due while minimizing disruption to operations of
19 licensing entities. It is the further intent of the Legislature
20 that the Oklahoma Tax Commission allow at least six (6) months
21 notice to licensees pursuant to the provisions of subsection C of
22 this section prior to notification of noncompliance to a licensing
23 entity.

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

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

15 1. A statement that the ~~licensee's license will not be renewed~~
16 ~~or reissued~~ Commission shall proceed by garnishment to collect any
17 delinquent tax and to collect any penalty or interest due and owing
18 as a result of a tax delinquency pursuant to Section 254 of this
19 title until the taxpayer is deemed by the Tax Commission to be in
20 compliance with the income tax laws of this state;

21 2. The reasons that the taxpayer is considered to be out of
22 compliance with the income tax laws of this state, including a
23 statement of the amount of any tax, penalties and interest due or a
24

1 list of the tax years for which income tax returns have not been
2 filed as required by law;

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

6 4. Such other information as may be deemed necessary by the Tax
7 Commission.

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

12 E. If the Tax Commission notifies a licensee who is not in
13 compliance with the income tax laws of this state as required in
14 this section and such licensee does not respond to such notification
15 or fails to come into compliance with the income tax laws of this
16 state after an assessment has been made final or after the Tax
17 Commission determines that every reasonable effort has been made to
18 assist the licensee to come into compliance with the income tax laws
19 of this state, the Tax Commission, ~~notwithstanding the provisions of~~
20 ~~Section 205 of this title,~~ shall so notify the licensing entity,
21 ~~which shall not renew or reissue the licensee's license at such time~~
22 ~~as it is subject to renewal or thereafter and shall notify the~~
23 ~~applicant of the reason for nonrenewal or failure to reissue. If a~~
24 ~~licensee who has been previously reported by the Tax Commission to a~~

1 ~~licensing entity as being out of compliance comes into compliance,~~
2 ~~the Tax Commission shall immediately notify the licensing entity. A~~
3 ~~licensing entity shall not be held liable for any action with~~
4 ~~respect to a state license pursuant to the provisions of this~~
5 ~~section proceed with the garnishment pursuant to paragraph 1 of~~
6 ~~subsection C of this section.~~

7 F. ~~If the Oklahoma Bar Association receives notice that a~~
8 ~~licensed attorney is not in compliance with the income tax laws of~~
9 ~~this state as provided in this section, the Bar Association shall~~
10 ~~begin proceedings by which the attorney may be suspended pursuant to~~
11 ~~Rule Governing Disciplinary Proceedings. If suspended, the attorney~~
12 ~~may be reinstated pursuant to reinstatement procedures as provided~~
13 ~~in the Rules Governing Disciplinary Proceedings.~~

14 G. The Tax Commission shall promulgate rules for the
15 implementation of the provisions of this section.

16 H. G. As used in this section:

17 1. "State license" means a license, certificate, registration,
18 permit, approval or other similar document issued by a licensing
19 entity granting to an individual or business a right or privilege to
20 engage in a profession, occupation or business in this state.

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

24

