

ENROLLED SENATE
BILL NO. 9

By: Monson of the Senate

and

Pope (Clay), Glover and
Sullivan (Leonard) of the
House

An Act relating to revenue and taxation; amending Section 6, Chapter 314, O.S.L. 2000 (68 O.S. Supp. 2000, Section 238.1), which relates to compliance with state income tax laws; stating legislative intent; requiring licensing entities to provide certain notice to Oklahoma Tax Commission; providing for confidentiality of certain information; restricting use of certain information; requiring notification to licensee not in compliance with income tax laws and specifying contents thereof; providing that certain licensees be deemed in compliance; specifying procedures when licensee does not respond or fails to come into compliance; specifying certain duties of Oklahoma Bar Association; requiring Tax Commission to promulgate certain rules; modifying definition; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 6, Chapter 314, O.S.L. 2000 (68 O.S. Supp. 2000, Section 238.1), is amended to read as follows:

~~Section 238.1 A. Upon receipt of an application for the issuance, renewal, reinstatement or transfer of a state license, the licensing entity shall notify the Oklahoma Tax Commission that the application has been received and shall supply such information as may be requested by the Tax Commission for purposes of implementing the provisions of this section. It is the intent of the Legislature that the provisions of this section operate to provide for the collection of income taxes due to the State of Oklahoma by persons holding state licenses in a manner that will maximize flexibility for licensees to pay any such taxes due while minimizing disruption to operations of licensing entities. It is the further intent of the Legislature that the Oklahoma Tax Commission allow at least six (6) months notice to licensees pursuant to the provisions of subsection C of this section prior to notification of noncompliance to a licensing entity.~~

B. Each licensing entity shall, on a date that allows the Tax Commission to comply with the notice provisions of subsection A of this section, provide to the Tax Commission a list of all its licensees and such identifying information as may be required by the Tax Commission. Such list and information shall be used by the Tax Commission exclusively for the purpose of collection of income taxes due to the State of Oklahoma. The provisions of any laws making application information confidential shall not apply with respect to information supplied to the Tax Commission pursuant to the provisions of this section; provided, such information shall be subject to the provisions of Section 205 of Title 68 of the Oklahoma Statutes.

~~B. A state license shall not be issued, renewed, reinstated or transferred until the Tax Commission has verified that the individual applying for the license is in compliance with state income tax laws and has so notified the licensing entity. The Tax Commission shall make every effort to verify such information and notify the licensing entity in a timely manner. If the only reason for delaying action on a license application is the lack of notification pursuant to the provisions of this section, the licensing entity shall proceed to act on the license application within thirty (30) days of receipt of notification by the Tax Commission.~~

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

1. A statement that the licensee's license will not be renewed until the taxpayer is deemed by the Tax Commission to be in compliance with the income tax laws of this state;

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

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

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

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

~~C. If the Tax Commission finds that the individual applying for the license is not in compliance with state income tax laws, it~~

E. If the Tax Commission notifies a licensee who is not in compliance with the income tax laws of this state as required in

this section and such licensee does not respond to such notification or fails to come into compliance with the income tax laws of this state after an assessment has been made final or after the Tax Commission determines that every reasonable effort has been made to assist the licensee to come into compliance with the income tax laws of this state, the Tax Commission, notwithstanding the provisions of Section 205 of this title, shall so notify the licensing entity, which shall deny the application not renew the licensee's license at such time as it is subject to renewal and shall notify the applicant of the reason for denial nonrenewal. If a licensee who has been previously reported by the Tax Commission to a licensing entity as being out of compliance comes into compliance, the Tax Commission shall immediately notify the licensing entity. A licensing entity shall not be held liable for any action with respect to a state license pursuant to the provisions of this section.

~~D. The State Regents for Higher Education are hereby directed to provide information received from state licensing entities pursuant to the provisions of Section 623 of Title 70 of the Oklahoma Statutes, including Social Security numbers, to the Tax Commission for use in the implementation of the provisions of this section. The Tax Commission shall promulgate rules for the implementation of the provisions of this section.~~

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

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

H. As used in this section:

1. "State license" means a license, certificate, registration, permit, approval or other similar document issued by a licensing entity granting to an individual or business a right or privilege to engage in a profession, occupation or business in this state. "State license" does not include an inactive license issued by a licensing entity which does not grant an individual the right to engage in a profession, occupation or business in this state; and

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

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 17th day of May, 2001.

Presiding Officer of the Senate

Passed the House of Representatives the 22nd day of May, 2001.

Presiding Officer of the House
of Representatives