

THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 2009

House Bill No. 1295

HOUSE BILL NO. 1295 - By: MURPHEY of the House and JOLLEY of the Senate.

An Act relating to revenue and taxation; amending 68 O.S. 2001, Section 238.1, which relates to collection of state taxes; modifying provisions related to renewal or reissuance of certain professional licenses; and providing an effective date.

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

1 SECTION 1. AMENDATORY 68 O.S. 2001, Section 238.1, is amended to read
2 as follows:

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

10 B. Each licensing entity shall, on a date that allows the Tax Commission to comply
11 with the notice provisions of subsection A of this section, provide to the Tax Commission
12 a list of all its licensees and such identifying information as may be required by the Tax
13 Commission. Such list and information shall be used by the Tax Commission exclusively

1 for the purpose of collection of income taxes due to the State of Oklahoma. The
2 provisions of any laws making application information confidential shall not apply with
3 respect to information supplied to the Tax Commission pursuant to the provisions of this
4 section; provided, such information shall be subject to the provisions of Section 205 of
5 ~~Title 68 of the Oklahoma Statutes~~ this title.

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

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

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

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

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

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

1 E. If the Tax Commission notifies a licensee who is not in compliance with the
2 income tax laws of this state as required in this section and such licensee does not
3 respond to such notification or fails to come into compliance with the income tax laws of
4 this state after an assessment has been made final or after the Tax Commission
5 determines that every reasonable effort has been made to assist the licensee to come into
6 compliance with the income tax laws of this state, the Tax Commission, notwithstanding
7 the provisions of Section 205 of this title, shall so notify the licensing entity, which shall
8 not renew or reissue the licensee's license at such time as it is subject to renewal or
9 thereafter and shall notify the applicant of the reason for nonrenewal or failure to
10 reissue. If a licensee who has been previously reported by the Tax Commission to a
11 licensing entity as being out of compliance comes into compliance, the Tax Commission
12 shall immediately notify the licensing entity. A licensing entity shall not be held liable
13 for any action with respect to a state license pursuant to the provisions of this section.

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

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

22 H. As used in this section:

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

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

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

13 SECTION 2. This act shall become effective November 1, 2009.

14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
15 dated 02-18-09 - DO PASS, As Coauthored.