

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 732

By: Mazzei of the Senate
and
Dank of the House

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7 [uniform tax procedure - compliance with income tax
8 laws - modifying requirement to terminate employment
of state employees - effective date]

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11 AMENDMENT NO. 1. Strike the stricken title, enacting clause and
12 entire bill and insert

13 "An Act relating to uniform tax procedure; amending
14 Section 1, Chapter 376, O.S.L. 2003, as amended by
15 Section 4, Chapter 479, O.S.L. 2005 (68 O.S. Supp.
16 2010, Section 238.2), which relates to compliance
17 with income tax laws; modifying requirement to
terminate employment of certain state employees
under specified circumstances; requiring resignation
of elected officials; and providing an effective
date.

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

20 SECTION 1. AMENDATORY Section 1, Chapter 376, O.S.L.
21 2003, as amended by Section 4, Chapter 479, O.S.L. 2005 (68 O.S.
22 Supp. 2010, Section 238.2), is amended to read as follows:

23 Section 238.2 A. It is the intent of the Legislature that the
24 provisions of this section operate to provide for the collection of

1 income taxes due to the State of Oklahoma by state employees in a
2 manner that will maximize flexibility for state employees to pay any
3 such taxes due while minimizing disruption to operations of state
4 agencies. It is the further intent of the Legislature that the
5 Oklahoma Tax Commission provide notice to state employees pursuant
6 to the provisions of subsection C of this section and that the Tax
7 Commission provide such notice to state employees at least six (6)
8 months prior to notification of noncompliance to a state agency.

9 B. The Office of State Finance shall, not later than August 1,
10 2003, and August 1 of each year thereafter, provide to the Tax
11 Commission a list of all state employees as of the preceding July 1
12 and such identifying information as may be required by the Tax
13 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 information confidential shall not apply with respect to information
17 supplied to the Tax Commission pursuant to the provisions of this
18 section; provided, such information shall be subject to the
19 provisions of Section 205 of Title 68 of the Oklahoma Statutes.

20 C. The Tax Commission shall, not later than November 1, 2003,
21 and November 1 of each year thereafter, notify any state employee
22 who is not in compliance with the income tax laws of this state.
23 Such notification shall include:
24

1 1. A statement that the employee will be subject to
2 disciplinary action by the appointing authority unless the taxpayer
3 is deemed by the Tax Commission to be in compliance with the income
4 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 state employee who has entered into and is abiding by a
16 payment agreement, or who has requested relief as an innocent spouse
17 which is pending or has been granted, shall be deemed to be in
18 compliance with the state income tax laws for purposes of this
19 section.

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

1 the Tax Commission determines that every reasonable effort has been
2 made to assist the state employee to come into compliance with the
3 income tax laws of this state, the Tax Commission, notwithstanding
4 the provisions of Section 205 of Title 68 of the Oklahoma Statutes,
5 shall so notify the appointing authority, which shall commence
6 disciplinary action with respect to the state employee and shall
7 notify the state employee of the reason for such action; provided,
8 if a state agency receives a ~~third~~ notification with respect to a
9 state employee who has failed to come into compliance with the
10 income tax laws ~~for the same tax year or years~~, and the notification
11 is the employee's third notification as a state employee, regardless
12 of which agency the employee was employed by at the time of the
13 first and second notices, such employee shall be terminated by the
14 state agency according to the procedures provided by law or if the
15 state employee is an elected official, such state employee shall
16 resign from the elective office. If a state employee who has been
17 previously reported by the Tax Commission to a state agency as being
18 out of compliance comes into compliance, the Tax Commission shall
19 immediately notify the appointing authority. Neither a state agency
20 nor an appointing authority shall be held liable for any action with
21 respect to a state employee pursuant to the provisions of this
22 section.

23 F. The Tax Commission shall promulgate rules for the
24 implementation of the provisions of this section.

1 ENGROSSED SENATE
2 BILL NO. 732

By: Mazzei of the Senate

3 and

4 Dank of the House

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7 [uniform tax procedure - compliance with income tax
8 laws - modifying requirement to terminate employment
of state employees - effective date]

9
10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 3. AMENDATORY Section 1, Chapter 376, O.S.L.
12 2003, as amended by Section 4, Chapter 479, O.S.L. 2005 (68 O.S.
13 Supp. 2010, Section 238.2), is amended to read as follows:

14 Section 238.2. 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 state employees in a
17 manner that will maximize flexibility for state employees to pay any
18 such taxes due while minimizing disruption to operations of state
19 agencies. It is the further intent of the Legislature that the
20 Oklahoma Tax Commission provide notice to state employees pursuant
21 to the provisions of subsection C of this section and that the Tax
22 Commission provide such notice to state employees at least six (6)
23 months prior to notification of noncompliance to a state agency.

24

1 B. The Office of State Finance shall, not later than August 1,
2 2003, and August 1 of each year thereafter, provide to the Tax
3 Commission a list of all state employees as of the preceding July 1
4 and such identifying information as may be required by the Tax
5 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 information confidential shall not apply with respect to information
9 supplied to the Tax Commission pursuant to the provisions of this
10 section; provided, such information shall be subject to the
11 provisions of Section 205 of Title 68 of the Oklahoma Statutes.

12 C. The Tax Commission shall, not later than November 1, 2003,
13 and November 1 of each year thereafter, notify any state employee
14 who is not in compliance with the income tax laws of this state.
15 Such notification shall include:

16 1. A statement that the employee will be subject to
17 disciplinary action by the appointing authority unless the taxpayer
18 is deemed by the Tax Commission to be in compliance with the income
19 tax laws of this state;

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

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

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

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

11 E. If the Tax Commission notifies a state employee who is not
12 in compliance with the income tax laws of this state as required in
13 this section and such state employee does not respond to such
14 notification or fails to come into compliance with the income tax
15 laws of this state after an assessment has been made final or after
16 the Tax Commission determines that every reasonable effort has been
17 made to assist the state employee to come into compliance with the
18 income tax laws of this state, the Tax Commission, notwithstanding
19 the provisions of Section 205 of Title 68 of the Oklahoma Statutes,
20 shall so notify the appointing authority, which shall commence
21 disciplinary action with respect to the state employee and shall
22 notify the state employee of the reason for such action; provided,
23 if a state agency receives a ~~third~~ notification with respect to a
24 state employee who has failed to come into compliance with the

1 income tax laws ~~for the same tax year or years,~~ and the notification
2 is the employee's third notification as a state employee, regardless
3 of which agency the employee was employed by at the time of the
4 first and second notices, such employee shall be terminated by the
5 state agency according to the procedures provided by law or if the
6 state employee is an elected official, such state employee shall
7 resign from the elective office. If a state employee who has been
8 previously reported by the Tax Commission to a state agency as being
9 out of compliance comes into compliance, the Tax Commission shall
10 immediately notify the appointing authority. Neither a state agency
11 nor an appointing authority shall be held liable for any action with
12 respect to a state employee pursuant to the provisions of this
13 section.

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

16 G. As used in this section:

17 1. "State agency" means any office, department, board,
18 commission or institution of the executive, legislative or judicial
19 branch of state government;

20 2. "Employee" or "state employee" means an elected or appointed
21 officer or employee of a state agency; provided, the term employee
22 or state employee shall not include an ~~elected official or an~~
23 employee of a local governmental entity; and
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1 3. "Appointing authority" means the chief administrative
2 officer of a state agency.

3 SECTION 4. This act shall become effective November 1, 2011.
4 Passed the Senate the 15th day of March, 2011.

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Presiding Officer of the Senate

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8 Passed the House of Representatives the ____ day of _____,
9 2011.

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Presiding Officer of the House
of Representatives

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