

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL NO. 732

By: Mazzei of the Senate

and

Dank of the House

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9 COMMITTEE SUBSTITUTE

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

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

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

22 Section 238.2 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 state employees in a  
manner that will maximize flexibility for state employees to pay any  
such taxes due while minimizing disruption to operations of state

1 agencies. It is the further intent of the Legislature that the  
2 Oklahoma Tax Commission provide notice to state employees pursuant  
3 to the provisions of subsection C of this section and that the Tax  
4 Commission provide such notice to state employees at least six (6)  
5 months prior to notification of noncompliance to a state agency.

6 B. The Office of State Finance shall, not later than August 1,  
7 2003, and August 1 of each year thereafter, provide to the Tax  
8 Commission a list of all state employees as of the preceding July 1  
9 and such identifying information as may be required by the Tax  
10 Commission. Such list and information shall be used by the Tax  
11 Commission exclusively for the purpose of collection of income taxes  
12 due to the State of Oklahoma. The provisions of any laws making  
13 information confidential shall not apply with respect to information  
14 supplied to the Tax Commission pursuant to the provisions of this  
15 section; provided, such information shall be subject to the  
16 provisions of Section 205 of Title 68 of the Oklahoma Statutes.

17 C. The Tax Commission shall, not later than November 1, 2003,  
18 and November 1 of each year thereafter, notify any state employee  
19 who is not in compliance with the income tax laws of this state.

20 Such notification shall include:

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

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

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

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

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

16           E. If the Tax Commission notifies a state employee who is not  
17 in compliance with the income tax laws of this state as required in  
18 this section and such state employee does not respond to such  
19 notification or fails to come into compliance with the income tax  
20 laws of this state after an assessment has been made final or after  
21 the Tax Commission determines that every reasonable effort has been  
22 made to assist the state employee to come into compliance with the  
23 income tax laws of this state, the Tax Commission, notwithstanding  
24 the provisions of Section 205 of Title 68 of the Oklahoma Statutes,

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

19 F. The Tax Commission shall promulgate rules for the  
20 implementation of the provisions of this section.

21 G. As used in this section:

22 1. "State agency" means any office, department, board,  
23 commission or institution of the executive, legislative or judicial  
24 branch of state government;

1        2. "Employee" or "state employee" means an elected or appointed  
2 officer or employee of a state agency; provided, the term employee  
3 or state employee shall not include an ~~elected official or an~~  
4 employee of a local governmental entity; and

5        3. "Appointing authority" means the chief administrative  
6 officer of a state agency.

7        SECTION 2. This act shall become effective November 1, 2011.

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