

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 598

By: Rader

COMMITTEE SUBSTITUTE

An Act relating to uniform tax procedure; amending 68 O.S. 2011, Section 254, which relates to garnishment for collection of delinquent taxes; authorizing the Oklahoma Tax Commission to garnish certain accrued earnings upon notice; adding definition; providing for delivery of notice; requiring employer to withhold compensation upon receipt of notice; providing limit of garnishment; requiring employer response; requiring notice upon termination or resignation; prohibiting termination based upon notice; providing time period upon garnishment; providing time period for taxpayer response; requiring Commission to withdraw garnishment upon certain response; requiring the Commission to prescribe forms; requiring the Commission to promulgate rules; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 254, is amended to read as follows:

Section 254. A. Upon a hearing with notice the Oklahoma Tax Commission shall be entitled to proceed by garnishment to collect any delinquent tax and to collect any penalty or interest due and owing as a result of a tax delinquency. Provided, that upon proper

1 application under the procedures outlined herein, the court may
2 issue an order continuing the garnishment for the collection of
3 delinquent taxes, penalties or interest until the total amount of
4 such delinquent taxes, penalties or interest have been collected.

5 B. The Tax Commission may garnish the accrued earnings of a
6 delinquent taxpayer employee by sending notice to the taxpayer's
7 employer. For the purpose of this section, "earnings" means any
8 form of payment to an individual including, but not limited to,
9 salary, wages, commission or other compensation, but does not
10 include reimbursements for travel expenses for state employees.

11 Such notice may be served by mail or by delivery by a field agent of
12 the Tax Commission to the taxpayer's employer along with a copy to
13 the delinquent taxpayer. Upon receipt of such notice of
14 delinquency, the employer shall withhold from compensation due, or
15 to become due to the employee, the total amount shown by the notice.
16 The Tax Commission may direct the employer to withhold part of the
17 amount due, not to exceed twenty-five percent (25%) of earnings per
18 pay period, until the total amount as shown by the notice, plus
19 interest and penalty, has been withheld and remitted to the Tax
20 Commission. The employer's response and calculation of amounts
21 withheld shall be on a form prescribed by the Tax Commission.

22 C. Within seven (7) days after the end of each pay period, or
23 if the delinquent taxpayer does not have regular pay periods, within
24 thirty (30) days from the date of the notice, the employer shall

1 withhold amounts due or provide an explanation to the Tax Commission
2 why amounts due will not be withheld and remitted to the Tax
3 Commission. In any case in which the employee ceases to be employed
4 by the employer before the full amount set forth in the notice of
5 delinquency, plus delinquent penalty and interest, has been withheld
6 by the employer, the employer shall immediately notify the Tax
7 Commission in writing of the date the employee resigned or was
8 terminated. Any employer who knowingly and willfully refuses to
9 respond by any means to the notice as provided in subsection B of
10 this section may be liable for the total amount set forth in the
11 notice. An employer may not terminate a delinquent taxpayer
12 employee based upon the notice of administrative wage garnishment.

13 D. An administrative wage garnishment may be issued after
14 ninety (90) days in which the tax has become delinquent, notice has
15 been sent to the taxpayer of the delinquency and possible remedies
16 to resolve the delinquency have been provided to the taxpayer and a
17 tax warrant has been issued and filed pursuant to Section 231 of
18 this title. A taxpayer shall have ten (10) days after the issuance
19 of the notice to the employer to provide any additional information
20 to the Tax Commission for the garnishment of wages to be withdrawn
21 or released by the Tax Commission. The Tax Commission shall
22 withdraw or adjust the garnishment for wages upon proof to the
23 satisfaction of the Tax Commission that the delinquent tax, interest
24 and penalty referred to in the notice has been paid or the taxpayer

1 can show the wages subject to garnishment are exempt pursuant to
2 state or federal law.

3 E. The Tax Commission shall prescribe or approve forms and
4 promulgate rules and regulations for implementing the provisions of
5 this section.

6 SECTION 2. This act shall become effective November 1, 2021.

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