

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

HOUSE BILL 1442

By: Provenzano

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 238.1, which relates to state licenses; providing exception for persons not previously required to pay income tax or to persons based on residency within certain time period; providing for garnishment of wages; removing penalty for failure to pay licensing fees; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 238.1, is amended to read as follows:

Section 238.1 A. 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~~ months' notice to licensees pursuant to the provisions of subsection

1 C of this section prior to notification of noncompliance to a
2 licensing entity. Nothing in this section shall apply to a licensee
3 who was not previously required to pay income tax or has moved to
4 the state within the past year.

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

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

19 1. A statement that the ~~licensee's license will not be renewed~~
20 ~~or reissued~~ Commission shall proceed by garnishment to collect any
21 delinquent tax and to collect any penalty or interest due and owing
22 as a result of a tax delinquency pursuant to Section 254 of this
23 title until the taxpayer is deemed by the Tax Commission to be in
24 compliance with the income 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 licensee who has entered into and is abiding by a payment
12 agreement, or who has requested relief as an innocent spouse which
13 is pending or has been granted, shall be deemed to be in compliance
14 with the state income tax laws for purposes of this section.

15 E. If the Tax Commission notifies a licensee who is not in
16 compliance with the income tax laws of this state as required in
17 this section and such licensee does not respond to such notification
18 or fails to come into compliance with the income tax laws of this
19 state after an assessment has been made final or after the Tax
20 Commission determines that every reasonable effort has been made to
21 assist the licensee to come into compliance with the income tax laws
22 of this state, the Tax Commission, ~~notwithstanding the provisions of~~
23 ~~Section 205 of this title,~~ shall so notify the licensing entity,
24 ~~which shall not renew or reissue the licensee's license at such time~~

1 ~~as it is subject to renewal or thereafter and shall notify the~~
2 ~~applicant of the reason for nonrenewal or failure to reissue. If a~~
3 ~~licensee who has been previously reported by the Tax Commission to a~~
4 ~~licensing entity as being out of compliance comes into compliance,~~
5 ~~the Tax Commission shall immediately notify the licensing entity. A~~
6 ~~licensing entity shall not be held liable for any action with~~
7 ~~respect to a state license pursuant to the provisions of this~~
8 section proceed with the garnishment pursuant to paragraph 1 of
9 subsection C of this section.

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

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

19 H. As used in this section:

20 1. "State license" means a license, certificate, registration,
21 permit, approval or other similar document issued by a licensing
22 entity granting to an individual or business a right or privilege to
23 engage in a profession, occupation or business in this state.

24 "State license" does not include an inactive license issued by a

1 licensing entity which does not grant an individual the right to
2 engage in a profession, occupation or business in this state; and

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

6 ~~3. "Reissue" means to issue a state license to an individual~~
7 ~~who has been in possession of an equivalent license issued by the~~
8 ~~same licensing entity in the previous twelve (12) months.~~

9 SECTION 2. This act shall become effective November 1, 2023.

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11 59-1-6100 LRB 12/28/22

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