

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 132

6 By: Bergstrom

7 COMMITTEE SUBSTITUTE

8 An Act relating to uniform tax procedure; amending 68
9 O.S. 2021, Section 238.1, which relates to
10 application for state license and compliance with
11 state income tax laws; authorizing certain licensing
12 entities to deny certain licensing renewals upon
13 notification from the Oklahoma Tax Commission;
14 updating statutory language; and providing an
15 effective date.

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

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

19 Section 238.1. A. It is the intent of the Legislature that the
20 provisions of this section operate to provide for the collection of
21 income taxes due to ~~the State of Oklahoma~~ this state by persons
22 holding state licenses in a manner that will maximize flexibility
23 for licensees to pay any such taxes due while minimizing disruption
24 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

1 subsection C of this section prior to notification of noncompliance
2 to a licensing entity.

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

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

17 1. A statement that the licensee's license ~~will~~ may not be
18 renewed or reissued until the taxpayer is deemed by the Tax
19 Commission to be in compliance with the income tax laws of this
20 state;

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

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

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

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

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

1 licensing entity as being out of compliance comes into compliance,
2 the Tax Commission shall immediately notify the licensing entity. A
3 licensing entity shall not be held liable for any action with
4 respect to a state license pursuant to the provisions of this
5 section.

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

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

16 H. As used in this section:

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

21 ~~"State license"~~ State license does not include an inactive license
22 issued by a licensing entity which does not grant an individual the
23 right to engage in a profession, occupation, or business in this
24 state;

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

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

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

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