

1 ENGROSSED SENATE
BILL NO. 132

By: Bergstrom of the Senate

2
3 and

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

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

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

15 Section 238.1. A. It is the intent of the Legislature that the
16 provisions of this section operate to provide for the collection of
17 income taxes due to ~~the State of Oklahoma~~ this state by persons
18 holding state licenses in a manner that will maximize flexibility
19 for licensees to pay any such taxes due while minimizing disruption
20 to operations of licensing entities. It is the further intent of
21 the Legislature that the Oklahoma Tax Commission allow at least six
22 (6) ~~months~~ months' notice to licensees pursuant to the provisions of
23 subsection C of this section prior to notification of noncompliance
24 to a licensing entity.

1 B. Each licensing entity shall, on a date that allows the Tax
2 Commission to comply with the notice provisions of subsection A of
3 this section, provide to the Tax Commission a list of all its
4 licensees and such identifying information as may be required by the
5 Tax 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~~ this state. The provisions of any laws
8 making application information confidential shall not apply with
9 respect to information supplied to the Tax Commission pursuant to
10 the provisions of this section; provided, such information shall be
11 subject to the provisions of Section 205 of this title.

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

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

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

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

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

1 licensing entity shall not be held liable for any action with
2 respect to a state license pursuant to the provisions of this
3 section.

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

12 G. The Tax Commission shall promulgate rules for the
13 implementation of the provisions of this section.

14 H. As used in this section:

15 1. "State license" means a license, certificate, registration,
16 permit, approval, or other similar document issued by a licensing
17 entity granting to an individual or business a right or privilege to
18 engage in a profession, occupation, or business in this state.
19 ~~"State license"~~ State license does not include an inactive license
20 issued by a licensing entity which does not grant an individual the
21 right to engage in a profession, occupation, or business in this
22 state;

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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.

8 Passed the Senate the 22nd day of March, 2023.

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Presiding Officer of the Senate

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12 Passed the House of Representatives the ____ day of _____,
13 2023.

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Presiding Officer of the House
of Representatives

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