

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 132

By: Bergstrom

AS INTRODUCED

An Act relating to uniform tax procedure; amending 68 O.S. 2021, Section 238.1, which relates to application for state license and compliance with state income tax laws; modifying definitions; updating statutory language; 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 C of this section prior to notification of noncompliance 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. The provisions of any laws making
8 application information confidential shall not apply with respect to
9 information supplied to the Tax Commission pursuant to the
10 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 not be renewed
16 or reissued until the taxpayer is deemed by the Tax Commission to be
17 in compliance with the income tax laws of this state;

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

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 not renew or reissue the licensee's license at such time
20 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 begin proceedings by which the attorney may be suspended pursuant to
8 ~~Rule~~ Rules Governing Disciplinary Proceedings. If suspended, the
9 attorney may be reinstated pursuant to reinstatement procedures as
10 provided in the Rules Governing Disciplinary Proceedings.

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

13 H. As used in this section:

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

18 "State license" shall not include a license, certificate,
19 registration, permit, approval, or other similar document issued by
20 the Oklahoma Board of Nursing pursuant to the Oklahoma Nursing
21 Practice Act, Section 567.1 et seq. of Title 59 of the Oklahoma
22 Statutes. "State license" does not include an inactive license
23 issued by a licensing entity which does not grant an individual the
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1 right to engage in a profession, occupation, or business in this
2 state;

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. "Licensing
6 entity" shall not include the Oklahoma Board of Nursing created
7 pursuant to Section 567.4 of Title 59 of the Oklahoma Statutes; and

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

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

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