

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 2080

By: McCall

6  
7  
8 COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; amending 68  
10 O.S. 2011, Section 238.1, which relates to state  
11 licenses; providing exception for persons not  
12 previously required to pay income tax or to persons  
13 based on residency within certain time period;  
14 providing for garnishment of wages; removing penalty  
15 for failure to pay licensing fees; and providing an  
16 effective date.

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

18 SECTION 1. AMENDATORY 68 O.S. 2011, Section 238.1, is  
19 amended to read as follows:

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

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

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

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

20 1. A statement that the ~~licensee's license will not be renewed~~  
21 ~~or reissued~~ Commission shall proceed by garnishment to collect any  
22 delinquent tax and to collect any penalty or interest due and owing  
23 as a result of a tax delinquency pursuant to Section 254 of this  
24

1 title until the taxpayer is deemed by the Tax Commission to be in  
2 compliance with the income tax laws of this state;

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

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

11 4. Such other information as may be deemed necessary by the Tax  
12 Commission.

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

17 E. If the Tax Commission notifies a licensee who is not in  
18 compliance with the income tax laws of this state as required in  
19 this section and such licensee does not respond to such notification  
20 or fails to come into compliance with the income tax laws of this  
21 state after an assessment has been made final or after the Tax  
22 Commission determines that every reasonable effort has been made to  
23 assist the licensee to come into compliance with the income tax laws  
24 of this state, the Tax Commission, ~~notwithstanding the provisions of~~

1 ~~Section 205 of this title, shall so notify the licensing entity,~~  
2 ~~which shall not renew or reissue the licensee's license at such time~~  
3 ~~as it is subject to renewal or thereafter and shall notify the~~  
4 ~~applicant of the reason for nonrenewal or failure to reissue. If a~~  
5 ~~licensee who has been previously reported by the Tax Commission to a~~  
6 ~~licensing entity as being out of compliance comes into compliance,~~  
7 ~~the Tax Commission shall immediately notify the licensing entity. A~~  
8 ~~licensing entity shall not be held liable for any action with~~  
9 ~~respect to a state license pursuant to the provisions of this~~  
10 ~~section~~ proceed with the garnishment pursuant to paragraph 1 of  
11 subsection C of this section.

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

19 G. The Tax Commission shall promulgate rules for the  
20 implementation of the provisions of this section.

21 H. As used in this section:

22 1. "State license" means a license, certificate, registration,  
23 permit, approval or other similar document issued by a licensing  
24 entity granting to an individual or business a right or privilege to

1 engage in a profession, occupation or business in this state.

2 "State license" does not include an inactive license issued by a  
3 licensing entity which does not grant an individual the right to  
4 engage in a profession, occupation or business in this state; and

5 2. "Licensing entity" means a bureau, department, division,  
6 board, agency, commission or other entity of this state or of a  
7 municipality in this state that issues a state license; ~~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, 2021.

12

13 58-1-7553 LRB 02/16/21

14

15

16

17

18

19

20

21

22

23

24