

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL 324

By: Daniels

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6 AS INTRODUCED

7 An Act relating to insurance; amending 36 O.S. 2011,  
8 Section 6060.18, which relates to withdrawals from  
9 health savings accounts; providing certain exception;  
and providing an effective date.

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

12 SECTION 1. AMENDATORY 36 O.S. 2011, Section 6060.18, is  
13 amended to read as follows:

14 Section 6060.18. A. Notwithstanding paragraphs C, D, E, and F  
15 of this section, an eligible individual may withdraw money from  
16 their health savings account for any purpose other than a purpose  
17 described in Section 6060.17 of this title.

18 B. If the eligible individual withdraws money for any purpose  
19 other than a purpose described in Section 6060.17 of this title, at  
20 any other time, all of the following shall apply:

21 1. The amount of the withdrawal is income for the purposes of  
22 the Oklahoma Income Tax Act in the tax year of the withdrawal; and

23 2. The tax imposed on the withdrawal which is includable in  
24 income shall be increased by ten percent (10%) of the amount which  
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1 is so includable; provided, any eligible individual age sixty-five  
2 (65) and over shall be exempt from the provisions of this paragraph.

3 C. The amount of disbursement of any assets of a health savings  
4 account pursuant to a filing for protection under Section 101 of  
5 Title 11 of the United States Code by an eligible individual or  
6 person for whose benefit the account was established is not  
7 considered a withdrawal for purposes of this section. The amount of  
8 a disbursement is not subject to taxation under the Oklahoma Income  
9 Tax Act and subsection B of this section does not apply.

10 D. The transfer of an eligible individual's interest in a  
11 health savings account to an eligible individual's spouse or former  
12 spouse under a divorce or separation instrument shall not be  
13 considered a taxable transfer made by such eligible individual,  
14 notwithstanding any other provision of this title, and the interest  
15 shall, after the transfer, be treated as a health savings account  
16 with respect to which the spouse is the eligible individual.

17 E. Upon the death of the eligible individual, the trustee or  
18 custodian shall distribute the principal and accumulated interest of  
19 the health savings account to the estate of the deceased.

20 F. If an employee becomes employed with a different employer  
21 that participates in a health savings account program, the employee  
22 may transfer their health savings account to that new employer's  
23 trustee or custodian, or to an individually purchased account  
24 program.

1 SECTION 2. This act shall become effective November 1, 2019.

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