

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1956

6 By: McCall

7 COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; enacting the
9 Dixon Act; amending 68 O.S. 2021, Section 238.1,
10 which relates to state licenses and collection of
11 income tax; providing for persons holding
12 professional license based on residency; requiring
13 certain statement by Oklahoma Tax Commission;
14 providing for noncodification; and providing an
15 effective date.

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

17 SECTION 1. NEW LAW A new section of law not to be
18 codified in the Oklahoma Statutes reads as follows:

19 This act shall be known and may be cited as the "Dixon Act".

20 SECTION 2. AMENDATORY 68 O.S. 2021, Section 238.1, is
21 amended to read as follows:

22 Section 238.1 A. It is the intent of the Legislature that the
23 provisions of this section operate to provide for the collection of
24 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

1 licensing entities. It is the further intent of the Legislature
2 that the Oklahoma Tax Commission allow at least six (6) months
3 notice to licensees pursuant to the provisions of subsection C of
4 this section prior to notification of noncompliance to a licensing
5 entity. Nothing in this section shall apply to a licensee who was
6 not previously required to pay income tax or has moved to the state
7 within the past year.

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

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

22 1. A statement that the ~~licensee's license will not be renewed~~
23 ~~or reissued~~ Commission shall proceed by garnishment to collect any
24 delinquent tax and to collect any penalty or interest due and owing

1 as a result of a tax delinquency pursuant to Section 254 of this
2 title until the taxpayer is deemed by the Tax Commission to be in
3 compliance with the income tax laws of this state;

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

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

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

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

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

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

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

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

22 H. As used in this section:

23 1. "State license" means a license, certificate, registration,
24 permit, approval or other similar document issued by a licensing

1 entity granting to an individual or business a right or privilege to
2 engage in a profession, occupation or business in this state.

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

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

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

12 SECTION 3. This act shall become effective November 1, 2023.

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