

1 STATE OF OKLAHOMA

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

3 SENATE BILL 388

By: Bergstrom

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6 AS INTRODUCED

7 An Act relating to uniform tax procedure; requiring
8 the Oklahoma Tax Commission to provide report of
9 compliance; requiring report to be provided within
10 certain period; amending 68 O.S. 2021, Section 238.1,
11 which relates to application for state license and
12 compliance with state income tax laws; requiring the
13 Commission to report to licensing entity within
14 certain period; updating statutory language;
15 providing for codification; and providing an
16 effective date.

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SECTION 1. NEW LAW A new section of law to be codified

in the Oklahoma Statutes as Section 271 of Title 68, unless there is
created a duplication in numbering, reads as follows:

If a taxpayer who is not in compliance with state tax law comes
into compliance through the correction of an error or by the payment
of tax arrearages, the Oklahoma Tax Commission shall provide a
report declaring the taxpayer's compliance through certified mail
return receipt requested or electronic mail with delivery receipt
within five (5) business days.

1 SECTION 2. AMENDATORY 68 O.S. 2021, Section 238.1, is

2 amended to read as follows:

3 Section 238.1. A. It is the intent of the Legislature that the
4 provisions of this section operate to provide for the collection of
5 income taxes due to the State of Oklahoma by persons holding state
6 licenses in a manner that will maximize flexibility for licensees to
7 pay any such taxes due while minimizing disruption to operations of
8 licensing entities. It is the further intent of the Legislature
9 that the Oklahoma Tax Commission allow at least six (6) ~~months~~
10 months' notice to licensees pursuant to the provisions of subsection
11 C of this section prior to notification of noncompliance to a
12 licensing entity.

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

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

4 1. A statement that the licensee's license will not be renewed
5 or reissued until the taxpayer is deemed by the Tax Commission to be
6 in compliance with the income tax laws of this state;

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

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

15 4. Such other information as may be deemed necessary by the Tax
16 Commission.

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

21 E. If the Tax Commission notifies a licensee who is not in
22 compliance with the income tax laws of this state as required in
23 this section and such licensee does not respond to such notification
24 or fails to come into compliance with the income tax laws of this

1 state after an assessment has been made final or after the Tax
2 Commission determines that every reasonable effort has been made to
3 assist the licensee to come into compliance with the income tax laws
4 of this state, the Tax Commission, notwithstanding the provisions of
5 Section 205 of this title, shall so notify the licensing entity,
6 which shall not renew or reissue the licensee's license at such time
7 as it is subject to renewal or thereafter and shall notify the
8 applicant of the reason for nonrenewal or failure to reissue. If a
9 licensee who has been previously reported by the Tax Commission to a
10 licensing entity as being out of compliance comes into compliance,
11 the Tax Commission shall immediately notify the licensing entity.
12 If a licensee comes into compliance by the correction of an error or
13 the payment of arrearages to the Commission, the Commission shall
14 report to the licensing entity within five (5) business days of the
15 correction of an error or the receipt of the payment. A licensing
16 entity shall not be held liable for any action with respect to a
17 state license pursuant to the provisions of this section.

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

1 G. The Tax Commission shall promulgate rules for the
2 implementation of the provisions of this section.

3 H. As used in this section:

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

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

11 2. "Licensing entity" means a bureau, department, division,
12 board, agency, commission or other entity of this state or of a
13 municipality in this state that issues a state license; and

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

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

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19 59-1-160 QD 1/15/2023 9:22:29 PM
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