

**BILL SUMMARY**  
1<sup>st</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB1956</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Speaker McCall</b>
<b>Date:</b>	<b>3/20/2023</b>
<b>Impact:</b>	<b>FY24 increased : \$5.3 Million</b>
	<b>FY25 increased collections: \$8 Million</b>

**Research Analysis**

The committee substitute for HB1956 creates the Dixon Act and directs the Oklahoma Tax Commission to use wage garnishment to collect delinquent income taxes, instead of notifying a delinquent taxpayer that holds a state license that their license will not be renewed until the taxpayer comes into compliance. An exception is granted for any state licensee who was not previously required to pay income tax or has moved to the state within the last year.

Current law requires state licensing entities to deny renewal applications of noncompliant taxpayers. The Oklahoma Bar Association will still be required to begin proceedings to suspend the license of a noncompliant attorney.

Prepared By: Quyen Do

**Fiscal Analysis**

The proposed committee substitute, removes a provision related to attorney licensing, the change is not anticipated to materially change the impact as provided on the introduced version of the measure where, officials for the Oklahoma Tax Commissions interpret HB 1956 as follows:

**HB 1956 proposes to amend 68 O.S. § 238.1, which requires a person holding a state license to be in compliance with Oklahoma income tax laws. The proposal allows a licensee who is not in compliance with Oklahoma income tax laws to renew a license, and authorizes the OTC to proceed by garnishment to collect any delinquent tax, penalty or interest due from a licensee. A licensee who was not previously required to pay income tax or who has moved to Oklahoma within the past year is exempt from income tax compliance requirements pursuant to 68 O.S. § 238.1.**

**EFFECTIVE DATE:** November 1, 2023

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 24: Estimated increase in income tax revenue of \$5.3 million.

FY 25: Estimated increase in income tax revenue of \$8 million.

Prepared By: John McPhetridge, House Fiscal Staff

**Other Considerations**

None.

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