ENGROSSED HOUSE
BILL NO. 3068

By: Kiger of the House

and

Pemberton of the Senate

[ revenue and taxation - collection of income tax due
by state employees - modifying penalty - effective
date ]

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 238.2, as
amended by Section 534, Chapter 304, O.S.L. 2012 (68 O.S. Supp.
2019, Section 238.2), is amended to read as follows:

Section 238.2 A. It is the intent of the Legislature that the
provisions of this section operate to provide for the collection of
income taxes due to the State of Oklahoma by state employees in a
manner that will maximize flexibility for state employees to pay any
such taxes due while minimizing disruption to operations of state
agencies. It is the further intent of the Legislature that the
Oklahoma Tax Commission provide notice to state employees pursuant
to the provisions of subsection C of this section and that the Tax
Commission provide such notice to state employees at least six (6) months prior to notification of noncompliance to a state agency.

B. The Office of Management and Enterprise Services shall, not later than August 1, 2003, and August 1 of each year thereafter, provide to the Tax Commission a list of all state employees as of the preceding July 1 and such identifying information as may be required by the Tax Commission. Such list and information shall be used by the Tax Commission exclusively for the purpose of collection of income taxes due to the State of Oklahoma. The provisions of any laws making information confidential shall not apply with respect to information supplied to the Tax Commission pursuant to the provisions of this section; provided, such information shall be subject to the provisions of Section 205 of this title.

C. The Tax Commission shall, not later than November 1, 2003, and November 1 of each year thereafter, notify any state employee who is not in compliance with the income tax laws of this state. Such notification shall include:

1. A statement that the employee will be subject to disciplinary action by the appointing authority unless the taxpayer is deemed by the Tax Commission to be in compliance with the income tax laws of this state;

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

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

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

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

E. If the Tax Commission notifies a state employee who is not
in compliance with the income tax laws of this state as required in
this section and such state employee does not respond to such
notification or fails to come into compliance with the income tax
laws of this state after an assessment has been made final or after
the Tax Commission determines that every reasonable effort has been
made to assist the state employee to come into compliance with the
income tax laws of this state, the Tax Commission, notwithstanding
the provisions of Section 205 of this title, shall so notify the
appointing authority, which shall commence disciplinary action with
respect to the state employee and shall notify the state employee of
the reason for such action; provided, if a state agency receives a
notification with respect to a state employee who has failed to come
into compliance with the income tax laws, and the notification is
the employee's third notification as a state employee, regardless of
which agency the employee was employed by at the time of the first
and second notices, such employee shall be terminated by the state
agency according to the procedures provided by law have a certain
percentage of wages garnished until such time as the employee is in
compliance with the income tax laws of this state. If a state
employee who has been previously reported by the Tax Commission to a
state agency as being out of compliance comes into compliance, the
Tax Commission shall immediately notify the appointing authority.
Neither a state agency nor an appointing authority shall be held
liable for any action with respect to a state employee pursuant to
the provisions of this section.

F. The Tax Commission shall promulgate rules for the
implementation of the provisions of this section.

G. As used in this section:

1. "State agency" means any office, department, board,
commission or institution of the executive, legislative or judicial
branch of state government;

2. "Employee" or "state employee" means an appointed officer or
employee of a state agency; provided, the term employee or state
employee shall not include an elected official or an employee of a
local governmental entity; and
3. "Appointing authority" means the chief administrative officer of a state agency.

SECTION 2. This act shall become effective November 1, 2020.

Passed the House of Representatives the 3rd day of March, 2020.

[Signature]

Presiding Officer of the House
of Representatives

Passed the Senate the ___ day of __________, 2020.

[Signature]

Presiding Officer of the Senate