STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

HOUSE BILL 3068

By: Kiger

AS INTRODUCED

An Act relating to revenue and taxation; amending 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), which relates to collection of income tax due by state employees; modifying penalty; and providing an 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.

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