

Misc. Docket No. 98- 9104

ORDER  
of the  
Supreme Court of Texas


**Revised Operating Policy for  
Collecting the Attorney Occupation Tax**

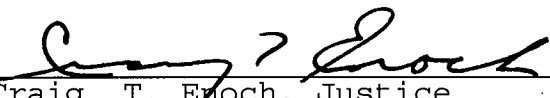
The Supreme Court of Texas hereby adopts the attached revised Internal Operating Policy for Collection of the Attorney Occupation Tax.

In Chambers, this 30<sup>th</sup> day of June, 1998.

  
Thomas R. Phillips, Chief Justice

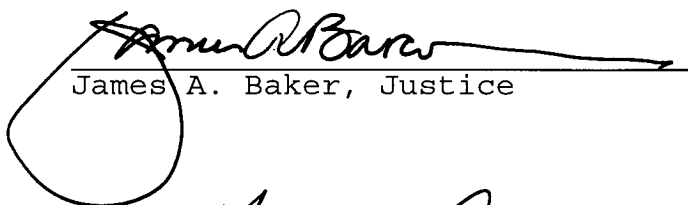
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Raul A. Gonzalez, Justice

  
Nathan L. Hecht, Justice

  
Craig T. Enoch, Justice

  
Rose Spector, Justice

  
Priscilla R. Owen, Justice

  
James A. Baker, Justice

  
Greg Abbott, Justice

  
Deborah G. Hankinson, Justice

**STATE BAR OF TEXAS**  
**Attorney Occupation Tax**  
**Internal Operating Policy**

- I. Every member of the State Bar of Texas is subject to the occupational tax except for those who apply to the following exemptions:
  - A) 70 years of age or older;
  - B) Inactive status under the rules governing the State Bar of Texas;
  - C) Out of state attorneys who are not practicing law in Texas;
  - D) Judges - Ask them to specify type (e.g., 53rd District);
  - E) Federal and State employees (specify the name of the agency);
  - F) City, County, and District attorneys who do not have a private practice that accounts for more than 50% of their time (specify city, county, or district);
  - G) An employee of a 501(c)(3) or 501(c)(6) nonprofit corporation who is prohibited from private practice;
  - H) Exempt from the MCLE requirements because of non-practicing status as defined by the State Bar.
  
- II. To establish an exemption from the occupational tax would require notification in writing on the letterhead of the agency. It is the attorney's responsibility to inform the Clerk of the Supreme Court when the exemption is no longer applicable.

III. The tax rate is \$200.00 per year made payable to the State Treasurer due on or before June 01 of the tax year. The tax is prorated for attorneys licensed to practice law in Texas after June 30 of a tax year, whose licenses are reactivated after that date, or whose exemptions are no longer applicable at the amount of \$16.67 per month through May 31 of the tax year. No partial payments are accepted. All prior balances must be paid in full before a current balance will be accepted for those members eligible to practice law in Texas. Members not practicing law may submit a notarized statement attesting as such as an exception from the tax for prior years, but must qualify for an exemption for the current year. Members requesting inactive status must pay prior balances due before inactive status will be granted

IV. A post office box will be set up for receipt of all tax payments to be processed by the State Treasury's lock box service. Any items that the lock box cannot process will be sent to the State Bar Membership Department for review and processing. The State Treasury's Items Processing Division will provide the State Bar of Texas Membership Department with a daily magnetic tape of all payments received and deposited for posting to the members' records. The State Bar will post any payments received to an outstanding balance if applicable. The State Treasury's office will notify the State Bar Membership Department of return check items that need to be addressed.

V. On May 01, or on the first working day following May 01 if May 01 falls on a weekend, the Clerk will mail statements to each member of the State Bar of Texas,

except for those who apply to the following exemptions:

- A) 70 years of age or older;
- B) Inactive status under the rules governing the State Bar of Texas;
- H) Exempt from the MCLE requirements because of non-practicing status as defined by the State Bar.

The mailing will include a tax statement, and a return envelope.

June 11

The Court has adopted a "mail" rule for the receipt of tax payments. Per the attached memo dated 06/19/96, we will accept a tax payment if the payment bears a post mark that is on or before the last day to pay. Payments processed through the State Treasury's lock box service will continue to be accepted through the tenth day following the due date and will be assumed that they were mailed and post marked on or before the due date. Thereafter the tenth day, if the tax payment has not been received or an exemption report filed, a 5% penalty will be added to the tax due; however, the penalty will not be billed until August 01. The burden of proof will be on the sender to show evidence that payment was mailed and post marked on or before the due date.

July 11

If the tax is not received or an exemption report established

within 40 days after the day on which the tax or report is due, an additional 5% penalty of the tax will be added.

August 01

The Clerk, through the State Bar of Texas Membership

Department, will notify the member of delinquency and the penalties due. The notice will caution that delinquent taxes draw interest beginning 60 days from the due date. The notice will further caution the member of suspension from the practice of law for failure to complete this obligation within 30 days after the date of our notice.

Delinquent taxes will start to draw 12% simple interest from August 11, however, interest accruing after that date will not be charged up to an amount not to exceed \$2.94, provided payment is received before September 1 and there is no other outstanding balance.

September 11

If on September 11 the Clerk has not received all taxes, penalties and interest accrued due to late payment, the member shall automatically be suspended from the practice of law. The Clerk will notify the member of suspension and the balance due for reinstatement.

VI. When a member suspended for nonpayment of the tax remits the tax, penalties, and interest accrued due to late payment, the suspension will be lifted and the

member restored to former status as long as the member has no other administrative or disciplinary sanctions against his or her law license. Reinstatement shall not affect any proceedings for discipline of the member for professional misconduct.

- VII. Inquiries concerning the attorney occupation tax should be addressed to the State Bar Membership Department. Unresolved difficulties may be addressed to the Supreme Court of Texas in writing.

revised 4-28-98

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