

TAX INFORMATION SHARING AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Chris H. Wilson

House Sponsor: Joseph Ellison

LONG TITLE**Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 7 voting for 1 voting against 10 absent

General Description:

This bill addresses the disclosure of tax information by the State Tax Commission.

Highlighted Provisions:

This bill:

- authorizes the State Tax Commission to share certain information with the Division of Finance within the Department of Government Operations to facilitate payments to taxpayers.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:****59-1-403**, as last amended by Laws of Utah 2023, Chapters 21, 52, 86, 259, and 329

*Be it enacted by the Legislature of the state of Utah:*Section 1. Section **59-1-403** is amended to read:

59-1-403. Confidentiality -- Exceptions -- Penalty -- Application to property tax.

(1) As used in this section:

(a) "Distributed tax, fee, or charge" means a tax, fee, or charge:

(i) the commission administers under:

(A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax Act;

(B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

(C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

(D) Section 19-6-805;

(E) Section 63H-1-205; or

(F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges;

and

(ii) with respect to which the commission distributes the revenue collected from the tax, fee, or charge to a qualifying jurisdiction.

(b) "Qualifying jurisdiction" means:

(i) a county, city, town, or metro township;

(ii) the military installation development authority created in Section 63H-1-201; or

(iii) the Utah Inland Port Authority created in Section 11-58-201.

(2) (a) Any of the following may not divulge or make known in any manner any information gained by that person from any return filed with the commission:

(i) a tax commissioner;

(ii) an agent, clerk, or other officer or employee of the commission; or

(iii) a representative, agent, clerk, or other officer or employee of any county, city, or town.

(b) An official charged with the custody of a return filed with the commission is not required to produce the return or evidence of anything contained in the return in any action or proceeding in any court, except:

(i) in accordance with judicial order;

(ii) on behalf of the commission in any action or proceeding under:

(A) this title; or

(B) other law under which persons are required to file returns with the commission;

(iii) on behalf of the commission in any action or proceeding to which the commission

59 is a party; or

60 (iv) on behalf of any party to any action or proceeding under this title if the report or
61 facts shown by the return are directly involved in the action or proceeding.

62 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may
63 admit in evidence, any portion of a return or of the facts shown by the return, as are specifically
64 pertinent to the action or proceeding.

65 (3) This section does not prohibit:

66 (a) a person or that person's duly authorized representative from receiving a copy of
67 any return or report filed in connection with that person's own tax;

68 (b) the publication of statistics as long as the statistics are classified to prevent the
69 identification of particular reports or returns; and

70 (c) the inspection by the attorney general or other legal representative of the state of the
71 report or return of any taxpayer:

72 (i) who brings action to set aside or review a tax based on the report or return;

73 (ii) against whom an action or proceeding is contemplated or has been instituted under
74 this title; or

75 (iii) against whom the state has an unsatisfied money judgment.

76 (4) (a) Notwithstanding Subsection (2) and for purposes of administration, the
77 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative
78 Rulemaking Act, provide for a reciprocal exchange of information with:

79 (i) the United States Internal Revenue Service; or

80 (ii) the revenue service of any other state.

81 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and
82 corporate franchise tax, the commission may by rule, made in accordance with Title 63G,
83 Chapter 3, Utah Administrative Rulemaking Act, share information gathered from returns and
84 other written statements with the federal government, any other state, any of the political
85 subdivisions of another state, or any political subdivision of this state, except as limited by
86 Sections 59-12-209 and 59-12-210, if the political subdivision, other state, or the federal
87 government grant substantially similar privileges to this state.

88 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and
89 corporate franchise tax, the commission may by rule, in accordance with Title 63G, Chapter 3,

Utah Administrative Rulemaking Act, provide for the issuance of information concerning the identity and other information of taxpayers who have failed to file tax returns or to pay any tax due.

(d) Notwithstanding Subsection (2), the commission shall provide to the director of the Division of Environmental Response and Remediation, as defined in Section 19-6-402, as requested by the director of the Division of Environmental Response and Remediation, any records, returns, or other information filed with the commission under Chapter 13, Motor and Special Fuel Tax Act, or Section 19-6-410.5 regarding the environmental assurance program participation fee.

(e) Notwithstanding Subsection (2), at the request of any person the commission shall provide that person sales and purchase volume data reported to the commission on a report, return, or other information filed with the commission under:

(i) Chapter 13, Part 2, Motor Fuel; or

(ii) Chapter 13, Part 4, Aviation Fuel.

(f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer, as defined in Section 59-22-202, the commission shall report to the manufacturer:

(i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the manufacturer and reported to the commission for the previous calendar year under Section 59-14-407; and

(ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the manufacturer for which a tax refund was granted during the previous calendar year under Section 59-14-401 and reported to the commission under Subsection 59-14-401(1)(a)(v).

(g) Notwithstanding Subsection (2), the commission shall notify manufacturers, distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is prohibited from selling cigarettes to consumers within the state under Subsection 59-14-210(2).

(h) Notwithstanding Subsection (2), the commission may:

(i) provide to the Division of Consumer Protection within the Department of Commerce and the attorney general data:

(A) reported to the commission under Section 59-14-212; or

(B) related to a violation under Section 59-14-211; and

(ii) upon request, provide to any person data reported to the commission under

Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).

(i) Notwithstanding Subsection (2), the commission shall, at the request of a committee of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's Office of Planning and Budget, provide to the committee or office the total amount of revenues collected by the commission under Chapter 24, Radioactive Waste Facility Tax Act, for the time period specified by the committee or office.

(j) Notwithstanding Subsection (2), the commission shall make the directory required by Section 59-14-603 available for public inspection.

(k) Notwithstanding Subsection (2), the commission may share information with federal, state, or local agencies as provided in Subsection 59-14-606(3).

(l) (i) Notwithstanding Subsection (2), the commission shall provide the Office of Recovery Services within the Department of Health and Human Services any relevant information obtained from a return filed under Chapter 10, Individual Income Tax Act, regarding a taxpayer who has become obligated to the Office of Recovery Services.

(ii) The information described in Subsection (4)(l)(i) may be provided by the Office of Recovery Services to any other state's child support collection agency involved in enforcing that support obligation.

(m) (i) Notwithstanding Subsection (2), upon request from the state court administrator, the commission shall provide to the state court administrator, the name, address, telephone number, county of residence, and social security number on resident returns filed under Chapter 10, Individual Income Tax Act.

(ii) The state court administrator may use the information described in Subsection (4)(m)(i) only as a source list for the master jury list described in Section 78B-1-106.

(n) (i) As used in this Subsection (4)(n):

(A) "GO Utah office" means the Governor's Office of Economic Opportunity created in Section 63N-1a-301.

(B) "Income tax information" means information gained by the commission that is required to be attached to or included in a return filed with the commission under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

(C) "Other tax information" means information gained by the commission that is required to be attached to or included in a return filed with the commission except for a return

152 filed under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual
153 Income Tax Act.

154 (D) "Tax information" means income tax information or other tax information.

155 (ii) (A) Notwithstanding Subsection (2) and except as provided in Subsection
156 (4)(n)(ii)(B) or (C), the commission shall at the request of the GO Utah office provide to the
157 GO Utah office all income tax information.

158 (B) For purposes of a request for income tax information made under Subsection
159 (4)(n)(ii)(A), the GO Utah office may not request and the commission may not provide to the
160 GO Utah office a person's address, name, social security number, or taxpayer identification
161 number.

162 (C) In providing income tax information to the GO Utah office, the commission shall
163 in all instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).

164 (iii) (A) Notwithstanding Subsection (2) and except as provided in Subsection
165 (4)(n)(iii)(B), the commission shall at the request of the GO Utah office provide to the GO
166 Utah office other tax information.

167 (B) Before providing other tax information to the GO Utah office, the commission
168 shall redact or remove any name, address, social security number, or taxpayer identification
169 number.

170 (iv) The GO Utah office may provide tax information received from the commission in
171 accordance with this Subsection (4)(n) only:

172 (A) as a fiscal estimate, fiscal note information, or statistical information; and

173 (B) if the tax information is classified to prevent the identification of a particular
174 return.

175 (v) (A) A person may not request tax information from the GO Utah office under Title
176 63G, Chapter 2, Government Records Access and Management Act, or this section, if the GO
177 Utah office received the tax information from the commission in accordance with this
178 Subsection (4)(n).

179 (B) The GO Utah office may not provide to a person that requests tax information in
180 accordance with Subsection (4)(n)(v)(A) any tax information other than the tax information the
181 GO Utah office provides in accordance with Subsection (4)(n)(iv).

182 (o) Notwithstanding Subsection (2), the commission may provide to the governing

board of the agreement or a taxing official of another state, the District of Columbia, the United States, or a territory of the United States:

(i) the following relating to an agreement sales and use tax:

(A) information contained in a return filed with the commission;

(B) information contained in a report filed with the commission;

(C) a schedule related to Subsection (4)(o)(i)(A) or (B); or

(D) a document filed with the commission; or

(ii) a report of an audit or investigation made with respect to an agreement sales and use tax.

(p) Notwithstanding Subsection (2), the commission may provide information concerning a taxpayer's state income tax return or state income tax withholding information to the Driver License Division if the Driver License Division:

(i) requests the information; and

(ii) provides the commission with a signed release form from the taxpayer allowing the Driver License Division access to the information.

(q) Notwithstanding Subsection (2), the commission shall provide to the Utah Communications Authority, or a division of the Utah Communications Authority, the information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and 63H-7a-502.

(r) Notwithstanding Subsection (2), the commission shall provide to the Utah Educational Savings Plan information related to a resident or nonresident individual's contribution to a Utah Educational Savings Plan account as designated on the resident or nonresident's individual income tax return as provided under Section 59-10-1313.

(s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility worker with the Department of Health and Human Services or its designee with the adjusted gross income of an individual if:

(i) an eligibility worker with the Department of Health and Human Services or its designee requests the information from the commission; and

(ii) the eligibility worker has complied with the identity verification and consent provisions of Sections 26B-3-106 and 26B-3-903.

(t) Notwithstanding Subsection (2), the commission may provide to a county, as determined by the commission, information declared on an individual income tax return in accordance with Section 59-10-103.1 that relates to eligibility to claim a residential exemption authorized under Section 59-2-103.

(u) Notwithstanding Subsection (2), the commission shall provide a report regarding any access line provider that is over 90 days delinquent in payment to the commission of amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges, to the board of the Utah Communications Authority created in Section 63H-7a-201.

(v) Notwithstanding Subsection (2), the commission shall provide the Department of Environmental Quality a report on the amount of tax paid by a radioactive waste facility for the previous calendar year under Section 59-24-103.5.

(w) Notwithstanding Subsection (2), the commission may, upon request, provide to the Department of Workforce Services any information received under Chapter 10, Part 4, Withholding of Tax, that is relevant to the duties of the Department of Workforce Services.

(x) Notwithstanding Subsection (2), the commission may provide the Public Service Commission or the Division of Public Utilities information related to a seller that collects and remits to the commission a charge described in Subsection 69-2-405(2), including the seller's identity and the number of charges described in Subsection 69-2-405(2) that the seller collects.

(y) (i) Notwithstanding Subsection (2), the commission shall provide to each qualifying jurisdiction the collection data necessary to verify the revenue collected by the commission for a distributed tax, fee, or charge collected within the qualifying jurisdiction.

(ii) In addition to the information provided under Subsection (4)(y)(i), the commission shall provide a qualifying jurisdiction with copies of returns and other information relating to a distributed tax, fee, or charge collected within the qualifying jurisdiction.

(iii) (A) To obtain the information described in Subsection (4)(y)(ii), the chief executive officer or the chief executive officer's designee of the qualifying jurisdiction shall submit a written request to the commission that states the specific information sought and how the qualifying jurisdiction intends to use the information.

(B) The information described in Subsection (4)(y)(ii) is available only in official matters of the qualifying jurisdiction.

(iv) Information that a qualifying jurisdiction receives in response to a request under this subsection is:

(A) classified as a private record under Title 63G, Chapter 2, Government Records Access and Management Act; and

(B) subject to the confidentiality requirements of this section.

(z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic Beverage Services Commission, upon request, with taxpayer status information related to state tax obligations necessary to comply with the requirements described in Section 32B-1-203.

(aa) Notwithstanding Subsection (2), the commission shall inform the Department of Workforce Services, as soon as practicable, whether an individual claimed and is entitled to claim a federal earned income tax credit for the year requested by the Department of Workforce Services if:

(i) the Department of Workforce Services requests this information; and

(ii) the commission has received the information release described in Section 35A-9-604.

(bb) (i) As used in this Subsection (4)(bb), "unclaimed property administrator" means the administrator or the administrator's agent, as those terms are defined in Section 67-4a-102.

(ii) (A) Notwithstanding Subsection (2), upon request from the unclaimed property administrator and to the extent allowed under federal law, the commission shall provide the unclaimed property administrator the name, address, telephone number, county of residence, and social security number or federal employer identification number on any return filed under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

(B) The unclaimed property administrator may use the information described in Subsection ~~[(4)(aa)(ii)(A)]~~ (4)(bb)(ii)(A) only for the purpose of returning unclaimed property to the property's owner in accordance with Title 67, Chapter 4a, Revised Uniform Unclaimed Property Act.

(iii) The unclaimed property administrator is subject to the confidentiality provisions of this section with respect to any information the unclaimed property administrator receives under this Subsection ~~[(4)(aa)]~~ (4)(bb).

(cc) Notwithstanding Subsection (2), the commission may provide to the Division of Finance within the Department of Government Operations any information necessary to

276 facilitate a payment from the commission to a taxpayer, including:

277 (i) the name of the taxpayer entitled to the payment or any other person legally
278 authorized to receive the payment;

279 (ii) the taxpayer identification number of the taxpayer entitled to the payment;

280 (iii) the payment identification number and amount of the payment;

281 (iv) the tax year to which the payment applies and date on which the payment is due;

282 (v) a mailing address to which the payment may be directed; and

283 (vi) information regarding an account at a depository institution to which the payment
284 may be directed, including the name of the depository institution, the type of account, the
285 account number, and the routing number for the account.

286 (5) (a) Each report and return shall be preserved for at least three years.

287 (b) After the three-year period provided in Subsection (5)(a) the commission may
288 destroy a report or return.

289 (6) (a) Any individual who violates this section is guilty of a class A misdemeanor.

290 (b) If the individual described in Subsection (6)(a) is an officer or employee of the
291 state, the individual shall be dismissed from office and be disqualified from holding public
292 office in this state for a period of five years thereafter.

293 (c) Notwithstanding Subsection (6)(a) or (b), the GO Utah office, when requesting
294 information in accordance with Subsection (4)(n)(iii), or an individual who requests
295 information in accordance with Subsection (4)(n)(v):

296 (i) is not guilty of a class A misdemeanor; and

297 (ii) is not subject to:

298 (A) dismissal from office in accordance with Subsection (6)(b); or

299 (B) disqualification from holding public office in accordance with Subsection (6)(b).

300 (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the
301 Office of the Legislative Auditor General in accordance with Title 36, Chapter 12, Legislative
302 Organization, an individual described in Subsection (2):

303 (i) is not guilty of a class A misdemeanor; and

304 (ii) is not subject to:

305 (A) dismissal from office in accordance with Subsection (6)(b); or

306 (B) disqualification from holding public office in accordance with Subsection (6)(b).

307 (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.
308 Section 2. **Effective date.**
309 This bill takes effect on May 1, 2024.