

HOUSE BILL 154

Introduced by Whalen

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| 1/13 | Introduced  |
| 1/13 | Referred to Taxation  |
| 1/13 | First Reading   |
| 1/19 | Hearing   |
| 2/06 | Committee Report--Bill Not Passed<br>as Amended                                 |
| 2/10 | Motion Failed to Reject Adverse<br>Committee Report and Place on 2nd<br>Reading |
| 2/10 | Adverse Committee Report Adopted  |

1 House BILL NO. 154  
2 INTRODUCED BY Whalen  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT CERTAIN  
5 INFORMATION RELATING TO THE ADMINISTRATION OF INDIVIDUAL  
6 INCOME TAX LAWS IS NOT CONFIDENTIAL INFORMATION; AMENDING  
7 SECTION 15-30-303; AND PROVIDING AN IMMEDIATE EFFECTIVE  
8 DATE."  
9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 15-30-303, MCA, is amended to read:

12 "15-30-303. Confidentiality of tax records. (1) Except  
13 in accordance with proper judicial order or as otherwise  
14 provided by law, it is unlawful for the department or any  
15 deputy, assistant, agent, clerk, or other officer or  
16 employee to divulge or make known in any manner the amount  
17 of income or any particulars set forth or disclosed in any  
18 report or return required under this chapter or any other  
19 information secured in the administration of this chapter.  
20 It is also unlawful to divulge or make known in any manner  
21 any federal return or federal return information disclosed  
22 on any return or report required by rule of the department  
23 or under this chapter.

24 (2) The officers charged with the custody of such  
25 reports and returns ~~shall~~ may not be required to produce any

1 of them or evidence of anything contained in them in any  
2 action or proceeding in any court, except in any action or  
3 proceeding to which the department is a party under the  
4 provisions of this chapter or any other taxing act or on  
5 behalf of any party to any action or proceedings under the  
6 provisions of this chapter or such any other taxing act when  
7 the reports or facts shown ~~thereby~~ are directly involved in  
8 such the action or proceedings, in either of which events  
9 the court may require the production of and may admit in  
10 evidence so much of ~~said the~~ reports or of the facts shown  
11 thereby by the reports as are pertinent to the action or  
12 proceedings and no more.

13 (3) ~~Nothing--herein--shall~~ This section may not be  
14 construed to prohibit:

15 (a) the delivery to a taxpayer or ~~his~~ the taxpayer's  
16 duly authorized representative of:

17 (i) a certified copy of any return or report filed in  
18 connection with his the taxpayer's tax;

19 (ii) information provided by the taxpayer's employer to  
20 the department when the employer is acting as a reporting  
21 agent for the taxpayer; or

22 (iii) the employer identification number of the  
23 taxpayer's employer;

24 (b) the publication of statistics so classified as to  
25 prevent the identification of particular reports or returns

1 and the items thereof of particular reports or returns; or

2 (c) the inspection by the attorney general or other  
3 legal representative of the state of the report or return of  
4 any taxpayer who ~~shall bring~~ brings an action to set aside  
5 or review the tax based ~~thereon~~ on the report or return or  
6 against whom an action or proceeding has been instituted in  
7 accordance with the provisions of 15-30-311 and 15-30-322.

8 (4) Reports and returns ~~shall~~ must be preserved for 3  
9 years and thereafter until the department orders them to be  
10 destroyed.

11 (5) Any offense against subsections (1) through (4) of  
12 ~~this--section--shall-be-punished~~ is punishable by a fine not  
13 exceeding \$1,000 or by imprisonment in the county jail not  
14 exceeding 1 year, or both, ~~at the discretion of the court,~~  
15 and if the offender ~~be~~ is an officer or employee of the  
16 state, ~~he--shall~~ the offender must be dismissed from office  
17 and ~~be-incapable-of-holding~~ may not hold any public office  
18 in this state for a period of 1 year ~~thereafter~~ after  
19 conviction.

20 (6) Notwithstanding the provisions of this section, the  
21 department may permit the commissioner of internal revenue  
22 of the United States or the proper officer of any state  
23 imposing a tax upon the incomes of individuals or the  
24 authorized representative of either ~~such~~ officer to inspect  
25 the return of income of any individual or may furnish to

1 ~~such the~~ officer or ~~his~~ the officer's authorized  
2 representative an abstract of the return of income of any  
3 individual or supply ~~him~~ the officer with information  
4 concerning any item of income contained in any return or  
5 disclosed by the report of any investigation of the income  
6 or return of income of any individual, but ~~such the~~  
7 permission ~~shall~~ may be granted or ~~such the~~ information  
8 furnished to ~~such the~~ officer or ~~his~~ the officer's  
9 representative only if the statutes of the United States or  
10 of ~~such the~~ other state, ~~--as--the--case--may--be,~~ grant  
11 substantially similar privileges to the proper officer of  
12 this state charged with the administration of this chapter.

13 (7) ~~Further,--notwithstanding--any-of-the-provisions-of~~  
14 ~~this-section,--the~~ The department shall furnish:

15 (a) to the department of justice all information  
16 necessary to identify those persons qualifying for the  
17 additional exemption for blindness pursuant to 15-30-112(4),  
18 for the purpose of enabling the department of justice to  
19 administer the provisions of 61-5-105;

20 (b) to the department of social and rehabilitation  
21 services information acquired under 15-30-301, pertaining to  
22 an applicant for public assistance, reasonably necessary for  
23 the prevention and detection of public assistance fraud and  
24 abuse, provided notice to the applicant has been given;

25 (c) to the department of fish, wildlife, and parks

1 specific information that is available from income tax  
2 returns and required under 87-2-102 to establish the  
3 residency requirements of an applicant for hunting and  
4 fishing licenses; and

5 (d) to the board of regents information required under  
6 20-26-1111."

7 NEW SECTION. **Section 2. Effective date.** [This act] is  
8 effective on passage and approval.

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