

**TAX STATUS DISCLOSURE AMENDMENTS**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Norman K. Thurston**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**General Description:**

This bill requires the State Tax Commission to disclose tax status information to the Alcoholic Beverage Control Commission related to individuals who are obtaining or maintaining a license under the Alcoholic Beverage Control Act.

**Highlighted Provisions:**

This bill:

- requires the State Tax Commission to disclose to the Alcoholic Beverage Control Commission whether an individual applying for a license or a licensee is current on state tax obligations.

**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 2020, Chapter 294

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*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) (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:

30 (i) a tax commissioner;  
31 (ii) an agent, clerk, or other officer or employee of the commission; or  
32 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or  
33 town.

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

37 (i) in accordance with judicial order;  
38 (ii) on behalf of the commission in any action or proceeding under:  
39 (A) this title; or  
40 (B) other law under which persons are required to file returns with the commission;  
41 (iii) on behalf of the commission in any action or proceeding to which the commission  
42 is a party; or

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

45 (c) Notwithstanding Subsection (1)(b), a court may require the production of, and may  
46 admit in evidence, any portion of a return or of the facts shown by the return, as are specifically  
47 pertinent to the action or proceeding.

48 (2) This section does not prohibit:

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

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

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

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

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

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

59 (3) (a) Notwithstanding Subsection (1) and for purposes of administration, the  
60 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative  
61 Rulemaking Act, provide for a reciprocal exchange of information with:

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

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

64 (b) Notwithstanding Subsection (1) and for all taxes except individual income tax and  
65 corporate franchise tax, the commission may by rule, made in accordance with Title 63G,  
66 Chapter 3, Utah Administrative Rulemaking Act, share information gathered from returns and  
67 other written statements with the federal government, any other state, any of the political  
68 subdivisions of another state, or any political subdivision of this state, except as limited by  
69 Sections 59-12-209 and 59-12-210, if the political subdivision, other state, or the federal  
70 government grant substantially similar privileges to this state.

71 (c) Notwithstanding Subsection (1) and for all taxes except individual income tax and  
72 corporate franchise tax, the commission may by rule, in accordance with Title 63G, Chapter 3,  
73 Utah Administrative Rulemaking Act, provide for the issuance of information concerning the  
74 identity and other information of taxpayers who have failed to file tax returns or to pay any tax  
75 due.

76 (d) Notwithstanding Subsection (1), the commission shall provide to the director of the  
77 Division of Environmental Response and Remediation, as defined in Section 19-6-402, as  
78 requested by the director of the Division of Environmental Response and Remediation, any  
79 records, returns, or other information filed with the commission under Chapter 13, Motor and  
80 Special Fuel Tax Act, or Section 19-6-410.5 regarding the environmental assurance program  
81 participation fee.

82 (e) Notwithstanding Subsection (1), at the request of any person the commission shall  
83 provide that person sales and purchase volume data reported to the commission on a report,  
84 return, or other information filed with the commission under:

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

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

87 (f) Notwithstanding Subsection (1), upon request from a tobacco product manufacturer,  
88 as defined in Section 59-22-202, the commission shall report to the manufacturer:

89 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the  
90 manufacturer and reported to the commission for the previous calendar year under Section  
91 59-14-407; and

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

95 (g) Notwithstanding Subsection (1), the commission shall notify manufacturers,  
96 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is prohibited  
97 from selling cigarettes to consumers within the state under Subsection 59-14-210(2).

98 (h) Notwithstanding Subsection (1), the commission may:

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

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

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

103 (ii) upon request, provide to any person data reported to the commission under  
104 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).

105 (i) Notwithstanding Subsection (1), the commission shall, at the request of a committee  
106 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's Office of  
107 Management and Budget, provide to the committee or office the total amount of revenues  
108 collected by the commission under Chapter 24, Radioactive Waste Facility Tax Act, for the  
109 time period specified by the committee or office.

110 (j) Notwithstanding Subsection (1), the commission shall make the directory required  
111 by Section 59-14-603 available for public inspection.

112 (k) Notwithstanding Subsection (1), the commission may share information with  
113 federal, state, or local agencies as provided in Subsection 59-14-606(3).

114 (l) (i) Notwithstanding Subsection (1), the commission shall provide the Office of  
115 Recovery Services within the Department of Human Services any relevant information  
116 obtained from a return filed under Chapter 10, Individual Income Tax Act, regarding a taxpayer  
117 who has become obligated to the Office of Recovery Services.

118 (ii) The information described in Subsection (3)(l)(i) may be provided by the Office of  
119 Recovery Services to any other state's child support collection agency involved in enforcing  
120 that support obligation.

121 (m) (i) Notwithstanding Subsection (1), upon request from the state court  
122 administrator, the commission shall provide to the state court administrator, the name, address,  
123 telephone number, county of residence, and social security number on resident returns filed  
124 under Chapter 10, Individual Income Tax Act.

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

127 (n) (i) As used in this Subsection (3)(n):

128 (A) "GOED" means the Governor's Office of Economic Development created in  
129 Section [63N-1-201](#).

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

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

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

138 (ii) (A) Notwithstanding Subsection (1) and except as provided in Subsection  
139 (3)(n)(ii)(B) or (C), the commission shall at the request of GOED provide to GOED all income  
140 tax information.

141 (B) For purposes of a request for income tax information made under Subsection

142 (3)(n)(ii)(A), GOED may not request and the commission may not provide to GOED a person's  
143 address, name, social security number, or taxpayer identification number.

144 (C) In providing income tax information to GOED, the commission shall in all  
145 instances protect the privacy of a person as required by Subsection (3)(n)(ii)(B).

146 (iii) (A) Notwithstanding Subsection (1) and except as provided in Subsection  
147 (3)(n)(iii)(B), the commission shall at the request of GOED provide to GOED other tax  
148 information.

149 (B) Before providing other tax information to GOED, the commission shall redact or  
150 remove any name, address, social security number, or taxpayer identification number.

151 (iv) GOED may provide tax information received from the commission in accordance  
152 with this Subsection (3)(n) only:

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

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

156 (v) (A) A person may not request tax information from GOED under Title 63G,  
157 Chapter 2, Government Records Access and Management Act, or this section, if GOED  
158 received the tax information from the commission in accordance with this Subsection (3)(n).

159 (B) GOED may not provide to a person that requests tax information in accordance  
160 with Subsection (3)(n)(v)(A) any tax information other than the tax information GOED  
161 provides in accordance with Subsection (3)(n)(iv).

162 (o) Notwithstanding Subsection (1), the commission may provide to the governing  
163 board of the agreement or a taxing official of another state, the District of Columbia, the United  
164 States, or a territory of the United States:

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

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

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

168 (C) a schedule related to Subsection (3)(o)(i)(A) or (B); or

169 (D) a document filed with the commission; or

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

172 (p) Notwithstanding Subsection (1), the commission may provide information  
173 concerning a taxpayer's state income tax return or state income tax withholding information to  
174 the Driver License Division if the Driver License Division:

175 (i) requests the information; and

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

178 (q) Notwithstanding Subsection (1), the commission shall provide to the Utah  
179 Communications Authority, or a division of the Utah Communications Authority, the  
180 information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and  
181 63H-7a-502.

182 (r) Notwithstanding Subsection (1), the commission shall provide to the Utah  
183 Educational Savings Plan information related to a resident or nonresident individual's  
184 contribution to a Utah Educational Savings Plan account as designated on the resident or  
185 nonresident's individual income tax return as provided under Section 59-10-1313.

186 (s) Notwithstanding Subsection (1), for the purpose of verifying eligibility under  
187 Sections 26-18-2.5 and 26-40-105, the commission shall provide an eligibility worker with the  
188 Department of Health or its designee with the adjusted gross income of an individual if:

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

191 (ii) the eligibility worker has complied with the identity verification and consent  
192 provisions of Sections 26-18-2.5 and 26-40-105.

193 (t) Notwithstanding Subsection (1), the commission may provide to a county, as  
194 determined by the commission, information declared on an individual income tax return in  
195 accordance with Section 59-10-103.1 that relates to eligibility to claim a residential exemption  
196 authorized under Section 59-2-103.

197 (u) Notwithstanding Subsection (1), the commission shall provide a report regarding

198 any access line provider that is over 90 days delinquent in payment to the commission of  
199 amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid Wireless  
200 Telecommunications Service Charges, to the board of the Utah Communications Authority  
201 created in Section [63H-7a-201](#).

202 (v) Notwithstanding Subsection (1), the commission shall provide the Department of  
203 Environmental Quality a report on the amount of tax paid by a radioactive waste facility for the  
204 previous calendar year under Section [59-24-103.5](#).

205 (w) Notwithstanding Subsection (1), the commission may, upon request, provide to the  
206 Department of Workforce Services any information received under Chapter 10, Part 4,  
207 Withholding of Tax, that is relevant to the duties of the Department of Workforce Services.

208 (x) Notwithstanding Subsection (1), the commission may provide the Public Service  
209 Commission or the Division of Public Utilities information related to a seller that collects and  
210 remits to the commission a charge described in Subsection [69-2-405\(2\)](#), including the seller's  
211 identity and the number of charges described in Subsection [69-2-405\(2\)](#) that the seller collects.

212 (y) Notwithstanding Subsection (1), the commission shall provide the Alcoholic  
213 Beverage Control Commission, upon request, with taxpayer status information related to state  
214 tax obligations necessary to comply with the requirements described in Section [32B-1-203](#).

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

216 (b) After the three-year period provided in Subsection (4)(a) the commission may  
217 destroy a report or return.

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

219 (b) If the individual described in Subsection (5)(a) is an officer or employee of the  
220 state, the individual shall be dismissed from office and be disqualified from holding public  
221 office in this state for a period of five years thereafter.

222 (c) Notwithstanding Subsection (5)(a) or (b), GOED, when requesting information in  
223 accordance with Subsection (3)(n)(iii), or an individual who requests information in  
224 accordance with Subsection (3)(n)(v):

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



- 226 (ii) is not subject to:
- 227 (A) dismissal from office in accordance with Subsection (5)(b); or
- 228 (B) disqualification from holding public office in accordance with Subsection (5)(b).
- 229 (6) Except as provided in Section [59-1-404](#), this part does not apply to the property tax.