

FEB 1 1971

Judiciary, Passed 2/10/71

HOUSE FILE

141

By NORPEL

Passed House, Date 3-3-71 Passed Senate, Date 3-9-71

Vote: Ayes 90 Nays 3 Vote: Ayes 47 Nays 0

Approved April 1, 1971

*Passed House on amendment
by the Senate 3-22-71
Ayes 71, Nays 0*

A BILL FOR

1 An Act relating to disclosure of information learned during
2 the preparation of tax returns.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

1 Section 1. DEFINITION. As used in this Act, unless the
2 context otherwise requires:

- 3 1. "Person" means any person, firm, corporation, asso-
- 4 ciation, partnership or an employee or agent of one of these.
- 5 2. "Tax return" means any federal, state, or local form
- 6 required to be filled out, by or for a taxpayer, incident
- 7 to the collection or refund of a tax.

8 Sec. 2. PRIVILEGED COMMUNICATIONS. Any person who ob-
9 tains any information in the course of or arising out of the
10 preparation or assisting in the preparation of a tax return
11 shall be considered to have obtained a confidential
12 communication and shall be subject to the prohibitions of
13 section six hundred twenty-two point ten (622.10) of the Code
14 in the same manner as a practicing attorney.

15 Sec. 3. DISCLOSURE PROHIBITED. Any person who discloses
16 a confidential communication obtained in the course of or
17 arising out of the preparation of a tax return shall be
18 guilty of a misdemeanor.

19 EXPLANATION

20 This bill provides that any person who receives informa-
21 tion incident to the preparation of somebody else's tax re-
22 turn shall have received confidential information in the same
23 manner as an attorney.

24 Disclosure of this information is a misdemeanor.

25 This prohibition applies to all tax returns, i.e., fed-
26 eral, state, and local -- income, estate, inheritance, ex-
27 cise, property, gift, etc.

- 28 1 Amend House File 141 as follows:
- 29 2 1. Page 2, line 18, by inserting after the period the
- 30 3 following:
- 31 4 "Each separate item of information obtained shall
- 32 5 be a confidential communication and disclosure of each
- 33 6 item shall be a separate and distinct misdemeanor."

33 Filed - Adopted 2-19-71, Reconsidered and
34 February 3, 1971 *Withdrawn 3/3*

By NORPEL of Jackson
District 52

1 Amend House File 141 as follows:

2 1. Page 1, line 2, by adding before the period the words
3 "and providing a penalty for violations".

Filed - *Adopted 2-19-71*
February 11, 1971

By NORPEL of Jackson
District 52

1 Amend House File 141, page 2, by striking lines 8
2 through 18, inclusive, and inserting in lieu thereof the
3 following:

4 "Sec. 2. DISCLOSURE PROHIBITED. A person who obtains
5 any information in the course of or arising out of the
6 business of preparing or assisting in the preparation of a
7 tax return of another person, shall not disclose any of
8 the information obtained unless the disclosure is within
9 any of the following:

10 1. Consented to in writing by the taxpayer in a
11 separate document.

12 2. Expressly authorized by state or federal law.

13 3. Necessary to the preparation of the return.

14 4. Pursuant to court order.

15 Sec. 3. ENGAGED IN BUSINESS. A person is engaged in
16 the business of preparing income tax returns or assisting
17 in preparing of returns if he does any of the following:

18 1. Advertises, or gives publicity to the effect that
19 he prepares or assists others in the preparation of tax
20 returns.

21 2. Prepares or assists others in the preparation of
22 tax returns for compensation.

23 Sec. 4. PENALTY. Any person who violates the
24 provisions of this Act shall be guilty of a misdemeanor."
25 Each separate item of information obtained shall be
26 confidential communication and disclosure of each item
27 shall be a separate and distinct misdemeanor."

Filed - *Adopted 3/3*
February 23, 1971

By NORPEL of Jackson
District 52

SENATE AMENDMENT TO HOUSE FILE 141

1 Amend House File 141, as amended and passed by the House,
2 as follows:

3 1. Page 2, by adding the following new subsection after
4 line 7:

5 3. "Information" for the purpose of this Act shall
6 include but not be limited to the name, address and
7 statistical data of the taxpayer.

8 2. Page 2, by striking section 4 and inserting the follow-
9 ing:

10 Sec. 4. PENALTY. A person who violates the provisions
11 of this Act shall upon conviction be punished by imprison-
12 ment in the county jail for not more than one year or be
13 fined not more than ten thousand dollars or punished by both
14 such imprisonment and fine.

Received from the Senate
March 9, 1971

House Concurred 3/22

1 Amend House File 141 by striking section 4 and insert-
2 ing the following:
3 "Sec. 4. PENALTY. A person who violated the provisions
4 of this Act shall upon conviction be punished by imprison-
5 ment for not more than five years or be fined not more than
6 ten thousand dollars or punished by both such imprisonment
7 and fine."

Filed - *Adopted as amended*
March 5, 1971

By RILEY and DeKOSTER

1 Amend the Riley and DeKoster amendment to House File 141
2 filed March 5, 1971 by striking all of line 5 and inserting in
3 lieu thereof the following: "ment in the county jail for not
4 more than one year or be fined not more than"

Filed and Adopted
March 9, 1971

By MOWRY

1 Amend House File 141, page 2, by adding the following
2 new subsection after line 7:
3 3. "Information" for the purpose of this Act shall
4 include but not be limited to the name, address and statisti-
5 cal data of the taxpayer.

Filed and Adopted
March 9, 1971

By RILEY and DeKOSTER