

Reprinted 3/79

FEB 20 1979

HOUSE FILE 421

WAYS & MEANS CALENDAR

By COMMITTEE ON WAYS AND MEANS

(Formerly Study Bill 77H)

Passed House, Date 2-28-79 (p. 698) Passed Senate, Date _____

Vote: Ayes 87 Nays 4 Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act to allow the director of revenue to provide information
 2 lawfully in his possession to tax officers of other states
 3 and the federal government and to receive information re-
 4 garding taxpayers in this state from the other states and
 5 the federal government and to revise the confidentiality
 6 protections of the law.

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

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421

1 Section 1. Section four hundred twenty-two point twenty
2 (422.20), subsection one (1), Code 1979, is amended to read
3 as follows:

4 1. It shall be unlawful for any present or former offi-
5 cer or employee of the state to divulge or to make known in
6 any manner whatever not provided by law to any person the
7 amount or source of income, profits, losses, expenditures,
8 or any particular thereof, set forth or disclosed in any in-
9 come return, or to permit any income return or copy thereof
10 or any book containing any abstract or particulars thereof
11 to be seen or examined by any person except as provided by
12 law; and it shall be unlawful for any person to print or
13 publish in any manner whatever not provided by law any income
14 return, or any part thereof or source of income, profits,
15 losses, or expenditures appearing in any income return; and
16 any person committing an offense against the foregoing
17 provision shall be guilty of a serious misdemeanor. If the
18 offender is an officer or employee of the state, such person
19 shall also be dismissed from office or discharged from
20 employment. Nothing herein shall prohibit turning over to
21 duly authorized officers of the United States or tax officials
22 of other states information and income returns pursuant to
23 agreement between the director and the secretary of the
24 treasury of the United States or the secretary's delegate
25 or pursuant to a reciprocal agreement with another state.

26 Sec. 2. Section four hundred twenty-two point seventy-
27 two (422.72), subsection one (1), Code 1979, is amended to
28 read as follows:

29 1. It shall be unlawful for the director, or any per-
30 son having an administrative duty under this chapter, or any
31 present or former officer or other employee of the state
32 authorized by the director to examine returns, to divulge
33 or to make known in any manner whatever, the business affairs,
34 operations, or information obtained by an investigation under
35 this chapter of records and equipment of any person or

1 corporation visited or examined in the discharge of official
 2 duty, or the amount or source of income, profits, losses,
 3 expenditures or any particular thereof, set forth or disclosed
 4 in any return, or to permit any return or copy thereof or
 5 any book containing any abstract or particulars thereof to
 6 be seen or examined by any person except as provided by law,
 7 ~~provided, however, that.~~ However, the director may authorize
 8 examination of such returns and other information which is
 9 confidential under this section, if a reciprocal arrangement
 10 exists, by tax officers of another state, or the federal
 11 government. The director may, by rules adopted pursuant to
 12 chapter seventeen A (17A) of the Code, authorize examination
 13 of information and returns by other officers or employees
 14 of this state to the extent required by their official duties
 15 and responsibilities. Disclosure of information to tax
 16 officers of another state shall be limited to those disclosures
 17 which have a tax administrative purpose and only to officers
 18 of those states which have laws protecting the confidentiality
 19 of such returns and information. This subsection shall prevail
 20 over the provisions of any general law of this state relating
 21 to public records.

22 Sec. 3. This Act is effective January first following
 23 its enactment.

24 EXPLANATION

25 The bill grants the department of revenue the authority
 26 to exchange information as well as returns under a reciprocal
 27 agreement with the appropriate officials of another state
 28 and strengthens the protections for holding taxpayer returns
 29 and information confidential.

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HOUSE FILE 421

H-3258

- 1 Amend House File 421 as follows:
2 1. Page 2, line 18, by inserting after the word
3 "laws" the words "that are as strict as the laws of
4 this state".

H-3258 FILED *Adopted 2/23/79*
FEBRUARY 27, 1979

BY BRANDT of Black Hawk

HOUSE FILE 421

H-3262

- 1 Amend House File 421 as follows:
2 1. Page 1, line 22, by inserting after the word
3 "states" the word "state".
4 2. Page 2, by striking line 8 and inserting in
5 lieu thereof the following: "examination of such
6 state returns and other state information which is".
7 3. Page 2, line 13, by inserting after the word
8 "of" the word "state".
9 4. Page 2, line 15, by inserting after the word
10 "of" the word "state".

H-3262 FILED, ADOPTED (*f 698*)
FEBRUARY 28, 1979

BY CONLON of Muscatine

See Ways Means 2/5
House File 421 *Amended per S-3225*
to Dr. Case 2/14 (p. 273)

Ways and Means
Holden, Chairperson
Comito
Ramsey
Hutchins

HOUSE FILE 421

By COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House)

Passed House, Date 5-9-79 (p. 2323) Passed Senate, Date 4-4-79 (p. 1079)

Vote: Ayes 83 Nays 12 Vote: Ayes 34 Nays 11

Approved June 6 1979
Repassed Senate on amended by House
5-10-79 (p. 1637)
40-10

A BILL FOR

1 An Act to allow the director of revenue to provide information
2 lawfully in his possession to tax officers of other states
3 and the federal government and to receive information re-
4 garding taxpayers in this state from the other states and
5 the federal government and to revise the confidentiality
6 protections of the law.

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

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_____ House Amendments

HOUSE FILE 421

S-3225

1 Amend House File 421, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 2, line 20, by inserting after the word
4 "information." the words "The department shall inform
5 the taxpayer when returns or other information is
6 provided to the United States government, other states,
7 or to other officials or employees of this state
8 pursuant to this chapter."

S-3225 FILED *Adopted 4/4*
MARCH 14, 1979 *(p. 10 48)*

BY COMMITTEE ON WAYS AND MEANS
ROLF CRAFT, CHAIRPERSON

1 Section 1. Section four hundred twenty-two point twenty
2 (422.20), subsection one (1), Code 1979, is amended to read
3 as follows:

4 1. It shall be unlawful for any present or former offi-
5 cer or employee of the state to divulge or to make known in
6 any manner whatever not provided by law to any person the
7 amount or source of income, profits, losses, expenditures,
8 or any particular thereof, set forth or disclosed in any in-
9 come return, or to permit any income return or copy thereof
10 or any book containing any abstract or particulars thereof
11 to be seen or examined by any person except as provided by
12 law; and it shall be unlawful for any person to print or
13 publish in any manner whatever not provided by law any income
14 return, or any part thereof or source of income, profits,
15 losses, or expenditures appearing in any income return; and
16 any person committing an offense against the foregoing
17 provision shall be guilty of a serious misdemeanor. If the
18 offender is an officer or employee of the state, such person
19 shall also be dismissed from office or discharged from
20 employment. Nothing herein shall prohibit turning over to
21 duly authorized officers of the United States or tax officials
22 of other states state information and income returns pursuant
23 to agreement between the director and the secretary of the
24 treasury of the United States or the secretary's delegate
25 or pursuant to a reciprocal agreement with another state.

26 Sec. 2. Section four hundred twenty-two point seventy-
27 two (422.72), subsection one (1), Code 1979, is amended to
28 read as follows:

29 1. It shall be unlawful for the director, or any per-
30 son having an administrative duty under this chapter, or any
31 present or former officer or other employee of the state
32 authorized by the director to examine returns, to divulge
33 or to make known in any manner whatever, the business affairs,
34 operations, or information obtained by an investigation under
35 this chapter of records and equipment of any person or

1 corporation visited or examined in the discharge of official
2 duty, or the amount or source of income, profits, losses,
3 expenditures or any particular thereof, set forth or disclosed
4 in any return, or to permit any return or copy thereof or
5 any book containing any abstract or particulars thereof to
6 be seen or examined by any person except as provided by law
7 ~~provided, however, that.~~ However, the director may authorize
8 examination of such state returns and other state information
9 which is confidential under this section, if a reciprocal
10 arrangement exists, by tax officers of another state, or the
11 federal government. The director may, by rules adopted
12 pursuant to chapter seventeen A (17A) of the Code, authorize
13 examination of state information and returns by other officers
14 or employees of this state to the extent required by their
15 official duties and responsibilities. Disclosure of state
16 information to tax officers of another state shall be limited
17 to those disclosures which have a tax administrative purpose
18 and only to officers of those states which have laws that
19 are as strict as the laws of this state protecting the
20 confidentiality of such returns and information. This
21 subsection shall prevail over the provisions of any general
22 law of this state relating to public records.

23 Sec. 3. This Act is effective January first following
24 its enactment.

25 EXPLANATION

26 The bill grants the department of revenue the authority
27 to exchange information as well as returns under a reciprocal
28 agreement with the appropriate officials of another state
29 and strengthens the protections for holding taxpayer returns
30 and information confidential.

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HOUSE FILE 421

H-4306

1 Amend the Senate amendment, H-3764, to House
 2 File 421, as amended, passed, and reprinted by the
 3 House, as follows:
 4 1. Page 1, by striking lines 4 through 8 and
 5 inserting in lieu thereof the following: "informa-
 6 tion." the following: "The director shall place
 7 upon the state tax form a notice to the taxpayer
 8 that state tax information may be disclosed to tax
 9 officials of another state or of the United States
 10 for tax administrative purposes. The department
 11 shall not authorize the examination of tax informa-
 12 tion by officers and employees of this state,
 13 another state, or of the United States if the officers
 14 or employees would otherwise be required to obtain a
 15 judicial order to examine the information if it were
 16 to be obtained from another source, and if the pur-
 17 pose of the examination is other than for tax admin-
 18 istration. Nothing in this subsection shall prevent
 19 the department from authorizing the examination of
 20 state returns and state information when provided
 21 under the provisions of section two hundred fifty-
 22 two B point nine (252B.9) of the Code.

H-4306 FILED *adopted 5/7 (p. 2222)* BY POPE of Polk
 MAY 7, 1979 SHULL of Warren
 HULLINGER of Decatur

SENATE AMENDMENT TO
 HOUSE FILE 421

H-3764

1 Amend House File 421, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 2, line 20, by inserting after the word
 4 "information." the words "The department shall inform
 5 the taxpayer when returns or other information is
 6 provided to the United States government, other states,
 7 or to other officials or employees of this state
 8 pursuant to this chapter."

H-3764 FILED
 APRIL 6, 1979

RECEIVED FROM THE SENATE
House Concurred as amended by 4306 5/7 (p. 2222)

HOUSE FILE 421

H-3875

- 1 Amend the Senate amendment, H-3764, to House
- 2 File 421, as amended, passed, and reprinted by the
- 3 House, as follows:
- 4 1. Page 1, by striking lines 1 through 8.

H-3875 FILED *Letter 4/30 (p. 1917)* BY CONLON of Muscatine
APRIL 11, 1979

HOUSE FILE 421

H-4084

- 1 Amend the Senate amendment H-3764, to House File
- 2 421, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, line 5, by inserting after the word
- 5 "taxpayer" the words "prior to the time".
- 6 2. Page 1, line 5, by striking the word "is"
- 7 and inserting in lieu thereof the word "are".

H-4084 FILED *Adopted 4/30 (p. 1919)* BY POPE of Polk
APRIL 24, 1979 *Reconsidered and *Withdrawn* BRUNER of Story
5/9 (p. 2222) HIBBS of Johnson

HOUSE FILE 421

H-4271

- 1 Amend the Senate amendment, H-3764, to House
- 2 File 421, as amended, passed and reprinted by the
- 3 House, as follows:
- 4 1. Page 1, line 8, by inserting after the
- 5 word "chapter" the words "; provided that the tax-
- 6 payer need not be informed prior to dissemination
- 7 under the following circumstance:
- 8 a. Such information is obtained for a
- 9 criminal investigation upon written application
- 10 with the director which includes a request that
- 11 the taxpayer not be informed for such period
- 12 by the department. An additional ninety-day
- 13 period may be granted by the director upon a
- 14 written request stating the reasons therefor."

H-4271 FILED *Withdrawn 5/9 (2222)* BY WELSH of Dubuque
MAY 3, 1979

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 421

S-3769

1 Amend the Senate amendment, H-3764, to House File
2 421, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by striking lines 4 through 8 and
5 inserting in lieu thereof the following:
6 "information." the following: "The director shall
7 place upon the state tax form a notice to the taxpayer
8 that state tax information may be disclosed to tax
9 officials of another state or of the United States
10 for tax administrative purposes. The department shall
11 not authorize the examination of tax information by
12 officers and employees of this state, another state,
13 or of the United States if the officers or employees
14 would otherwise be required to obtain a judicial order
15 to examine the information if it were to be obtained
16 from another source, and if the purpose of the
17 examination is other than for tax administration.
18 Nothing in this subsection shall prevent the department
19 from authorizing the examination of state returns
20 and state information when provided under the
21 provisions of section two hundred fifty-two B point
22 nine (252B.9) of the Code.

S-3769 FILED
MAY 9, 1979

RECEIVED FROM THE HOUSE

Senate - concur 5/10/79 (p. 1636)

HOUSE FILE 421

AN ACT

TO ALLOW THE DIRECTOR OF REVENUE TO PROVIDE INFORMATION LAWFULLY IN HIS POSSESSION TO TAX OFFICERS OF OTHER STATES AND THE FEDERAL GOVERNMENT AND TO RECEIVE INFORMATION REGARDING TAXPAYERS IN THIS STATE FROM THE OTHER STATES AND THE FEDERAL GOVERNMENT AND TO REVISE THE CONFIDENTIALITY PROTECTIONS OF THE LAW.

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

Section 1. Section four hundred twenty-two point twenty (422.20), subsection one (1), Code 1979, is amended to read as follows:

1. It shall be unlawful for any present or former officer or employee of the state to divulge or to make known in any manner whatever not provided by law to any person the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to print or publish in any manner whatever not provided by law any income return, or any part thereof or source of income, profits, losses, or expenditures appearing in any income return; and any person committing an offense against the foregoing provision shall be guilty of a serious misdemeanor. If the offender is an officer or employee of the state, such person shall also be dismissed from office or discharged from employment. Nothing herein shall prohibit turning over to duly authorized officers of the United States or tax officials of other states state information and income returns pursuant to agreement between the director and the secretary of the treasury of the United States or the secretary's delegate or pursuant to a reciprocal agreement with another state.

Sec. 2. Section four hundred twenty-two point seventy-two (422.72), subsection one (1), Code 1979, is amended to read as follows:

1. It shall be unlawful for the director, or any person having an administrative duty under this chapter, or any present or former officer or other employee of the state authorized by the director to examine returns, to divulge or to make known in any manner whatever, the business affairs, operations, or information obtained by an investigation under this chapter of records and equipment of any person or corporation visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; ~~provided; however, that~~ However, the director may authorize examination of such state returns and other state information which is confidential under this section, if a reciprocal arrangement exists, by tax officers of another state, or the federal government. The director may, by rules adopted pursuant to chapter seventeen A (17A) of the Code, authorize examination of state information and returns by other officers or employees of this state to the extent required by their official duties and responsibilities. Disclosure of state information to tax officers of another state shall be limited to those disclosures which have a tax administrative purpose and only to officers of those states which have laws that are as strict as the laws of this state protecting the confidentiality of such returns and information. The director shall place upon the state tax form a notice to the taxpayer that state tax information may be disclosed to tax officials of another state or of the United States for tax administrative purposes. The department shall not authorize the examination of tax information by officers and employees of this state, another state, or of the United States if the officers or employees would otherwise be required to obtain a judicial

order to examine the information if it were to be obtained from another source, and if the purpose of the examination is other than for tax administration. Nothing in this subsection shall prevent the department from authorizing the examination of state returns and state information when provided under the provisions of section two hundred fifty-two B point nine (252B.9) of the Code. This subsection shall prevail over the provisions of any general law of this state relating to public records.

Sec. 3. This Act is effective January first following its enactment.

FLOYD H. MILLEN
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 421, Sixty-eighth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved June 6, 1979

ROBERT D. RAY
Governor