

Millage, Ch
Sukup
Parmenter

HSB 58

JUDICIARY

Succeeded By

HOUSE FILE

SE 11

BY (PROPOSED COMMITTEE ON

JUDICIARY BILL BY CHAIRPERSON

LARSON)

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to confidentiality for certain taxpayer
2 communications.

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

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1 Section 1. ~~Section 2~~ NEW SECTION. 622.10A TAX ADVICE --
2 CONFIDENTIAL COMMUNICATIONS.

3 1. With respect to communications involving tax advice
4 between a taxpayer and a federally authorized tax
5 practitioner, the same protections of confidentiality which
6 apply to a communication between a taxpayer and an attorney
7 shall also apply to that communication to the extent the
8 communication would be considered a privileged communication
9 if it were between a taxpayer and an attorney.

10 2. The confidentiality privilege under this section
11 applies to either of the following:

12 a. A noncriminal tax matter before the Iowa department of
13 revenue and finance.

14 b. A noncriminal tax proceeding in federal or state court
15 brought by or against the state of Iowa.

16 3. As used in this section:

17 a. "Federally authorized tax practitioner" means an
18 individual who is authorized under federal law to practice
19 before the Internal Revenue Service if such practice is
20 subject to federal regulation under 31 U.S.C. § 330.

21 b. "Tax advice" means advice given by an individual with
22 respect to a matter which is within the scope of the
23 individual's authority to practice described in paragraph "a".

24 4. The confidentiality privilege under this section shall
25 not apply to a written communication between a federally
26 authorized tax practitioner and a director, shareholder,
27 officer, employee, agent, or representative of a corporation
28 in connection with the promotion of the direct or indirect
29 participation of that corporation in a tax shelter as defined
30 in section 6662(d)(2)(C)(iii) of the Internal Revenue Code.

31 EXPLANATION

32 The bill creates the privilege of confidentiality for state
33 tax purposes for those individuals who are authorized to
34 practice before the Internal Revenue Service and who provide
35 tax advice to persons in regard to state tax purposes. The

1 confidentiality privilege applies to tax advice communication
 2 to the same extent that such communication would be considered
 3 privileged if it occurred between the taxpayer and an
 4 attorney. However, the privilege does not apply to
 5 communication with a director, officer, shareholder, or agent
 6 of a corporation in connection with a tax shelter where the
 7 main purpose is the avoidance of federal income tax.

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S-3/3/99 Judic
S. 3/30/99 Do Pass

FEB 24 1999
Place On Calendar

HOUSE FILE 387
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 58)

Passed House, Date ^(p.532) 3/3/99 Passed Senate, Date ^(p.923) 4/5/99
Vote: Ayes 97 Nays 0 Vote: Ayes 47 Nays 0
Approved April 14, 1999

A BILL FOR

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HF 387

1 Section 1. NEW SECTION. 622.10A TAX ADVICE --
2 CONFIDENTIAL COMMUNICATIONS.

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25 not apply to a written communication between a federally
26 authorized tax practitioner and a director, shareholder,
27 officer, employee, agent, or representative of a corporation
28 in connection with the promotion of the direct or indirect
29 participation of that corporation in a tax shelter as defined
30 in section 6662(d)(2)(C)(iii) of the Internal Revenue Code.

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EXPLANATION

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33 tax purposes for those individuals who are authorized to
34 practice before the Internal Revenue Service and who provide
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AN ACT
RELATING TO CONFIDENTIALITY FOR CERTAIN TAXPAYER
COMMUNICATIONS.

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

Section 1. NEW SECTION. 622.10A TAX ADVICE --
CONFIDENTIAL COMMUNICATIONS.

1. With respect to communications involving tax advice between a taxpayer and a federally authorized tax practitioner, the same protections of confidentiality which apply to a communication between a taxpayer and an attorney shall also apply to that communication to the extent the communication would be considered a privileged communication if it were between a taxpayer and an attorney.

2. The confidentiality privilege under this section applies to either of the following:

a. A noncriminal tax matter before the Iowa department of revenue and finance.

b. A noncriminal tax proceeding in federal or state court brought by or against the state of Iowa.

3. As used in this section:

a. "Federally authorized tax practitioner" means an individual who is authorized under federal law to practice before the Internal Revenue Service if such practice is subject to federal regulation under 31 U.S.C. § 330.

b. "Tax advice" means advice given by an individual with respect to a matter which is within the scope of the individual's authority to practice described in paragraph "a".

4. The confidentiality privilege under this section shall not apply to a written communication between a federally authorized tax practitioner and a director, shareholder, officer, employee, agent, or representative of a corporation

in connection with the promotion of the direct or indirect participation of that corporation in a tax shelter as defined in section 6662(d)(2)(C)(iii) of the Internal Revenue Code.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 387, Seventy-eighth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved *April 14*, 1999

THOMAS J. VILSACK
Governor

HF 387