

**HOUSE BILL No. 2157**

By Committee on Government Efficiency

2-4

1 AN ACT concerning taxation; regarding tax information; relating to the  
2 disclosure of information to the state treasurer for the purpose of  
3 locating unclaimed property owners; amending K.S.A. 2010 Supp. 79-  
4 3234 and repealing the existing section.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2010 Supp. 79-3234 is hereby amended to read as  
8 follows: 79-3234. (a) All reports and returns required by this act shall be  
9 preserved for three years and thereafter until the director orders them to  
10 be destroyed.

11 (b) Except in accordance with proper judicial order, or as provided  
12 in subsection (c) or in K.S.A. 17-7511, subsection (g) of K.S.A. 46-1106,  
13 K.S.A. 46-1114, or K.S.A. 79-32,153a, and amendments thereto, it shall  
14 be unlawful for the secretary, the director, any deputy, agent, clerk or  
15 other officer, employee or former employee of the department of revenue  
16 or any other state officer or employee or former state officer or employee  
17 to divulge, or to make known in any way, the amount of income or any  
18 particulars set forth or disclosed in any report, return, federal return or  
19 federal return information required under this act; and it shall be unlawful  
20 for the secretary, the director, any deputy, agent, clerk or other officer or  
21 employee engaged in the administration of this act to engage in the  
22 business or profession of tax accounting or to accept employment, with or  
23 without consideration, from any person, firm or corporation for the  
24 purpose, directly or indirectly, of preparing tax returns or reports required  
25 by the laws of the state of Kansas, by any other state or by the United  
26 States government, or to accept any employment for the purpose of  
27 advising, preparing material or data, or the auditing of books or records to  
28 be used in an effort to defeat or cancel any tax or part thereof that has  
29 been assessed by the state of Kansas, any other state or by the United  
30 States government.

31 (c) The secretary or the secretary's designee may: (1) Publish  
32 statistics, so classified as to prevent the identification of particular reports  
33 or returns and the items thereof;

34 (2) allow the inspection of returns by the attorney general or other  
35 legal representatives of the state;

36 (3) provide the post auditor access to all income tax reports or

1 returns in accordance with and subject to the provisions of subsection (g)  
2 of K.S.A. 46-1106 or K.S.A. 46-1114, and amendments thereto;

3 (4) disclose taxpayer information from income tax returns to persons  
4 or entities contracting with the secretary of revenue where the secretary  
5 has determined disclosure of such information is essential for completion  
6 of the contract and has taken appropriate steps to preserve confidentiality;

7 (5) disclose to the secretary of commerce the following: (A) Specific  
8 taxpayer information related to financial information previously  
9 submitted by the taxpayer to the secretary of commerce concerning or  
10 relevant to any income tax credits, for purposes of verification of such  
11 information or evaluating the effectiveness of any tax credit or economic  
12 incentive program administered by the secretary of commerce; (B) the  
13 amount of payroll withholding taxes an employer is retaining pursuant to  
14 K.S.A. 2010 Supp. 74-50,212, and amendments thereto; (C) information  
15 received from businesses completing the form required by K.S.A. 2010  
16 Supp. 74-50,217, and amendments thereto; and (D) findings related to a  
17 compliance audit conducted by the department of revenue upon the  
18 request of the secretary of commerce pursuant to K.S.A. 2010 Supp. 74-  
19 50,215, and amendments thereto;

20 (6) disclose income tax returns to the state gaming agency to be used  
21 solely for the purpose of determining qualifications of licensees of and  
22 applicants for licensure in tribal gaming. Any information received by the  
23 state gaming agency shall be confidential and shall not be disclosed  
24 except to the executive director, employees of the state gaming agency  
25 and members and employees of the tribal gaming commission;

26 (7) disclose the taxpayer's name, last known address and residency  
27 status to the department of wildlife and parks to be used solely in its  
28 license fraud investigations;

29 (8) disclose the name, residence address, employer or Kansas  
30 adjusted gross income of a taxpayer who may have a duty of support in a  
31 title IV-D case to the secretary of the Kansas department of social and  
32 rehabilitation services for use solely in administrative or judicial  
33 proceedings to establish, modify or enforce such support obligation in a  
34 title IV-D case. In addition to any other limits on use, such use shall be  
35 allowed only where subject to a protective order which prohibits  
36 disclosure outside of the title IV-D proceeding. As used in this section,  
37 "title IV-D case" means a case being administered pursuant to part D of  
38 title IV of the federal social security act (42 U.S.C. § 651 et seq.), and  
39 amendments thereto. Any person receiving any information under the  
40 provisions of this subsection shall be subject to the confidentiality  
41 provisions of subsection (b) and to the penalty provisions of subsection  
42 (e);

43 (9) permit the commissioner of internal revenue of the United States,

1 or the proper official of any state imposing an income tax, or the  
2 authorized representative of either, to inspect the income tax returns made  
3 under this act and the secretary of revenue may make available or furnish  
4 to the taxing officials of any other state or the commissioner of internal  
5 revenue of the United States or other taxing officials of the federal  
6 government, or their authorized representatives, information contained in  
7 income tax reports or returns or any audit thereof or the report of any  
8 investigation made with respect thereto, filed pursuant to the income tax  
9 laws, as the secretary may consider proper, but such information shall not  
10 be used for any other purpose than that of the administration of tax laws  
11 of such state, the state of Kansas or of the United States;

12 (10) communicate to the executive director of the Kansas lottery  
13 information as to whether a person, partnership or corporation is current  
14 in the filing of all applicable tax returns and in the payment of all taxes,  
15 interest and penalties to the state of Kansas, excluding items under formal  
16 appeal, for the purpose of determining whether such person, partnership  
17 or corporation is eligible to be selected as a lottery retailer;

18 (11) communicate to the executive director of the Kansas racing  
19 commission as to whether a person, partnership or corporation has failed  
20 to meet any tax obligation to the state of Kansas for the purpose of  
21 determining whether such person, partnership or corporation is eligible  
22 for a facility owner license or facility manager license pursuant to the  
23 Kansas parimutuel racing act;

24 (12) provide such information to the executive director of the  
25 Kansas public employees retirement system for the purpose of  
26 determining that certain individuals' reported compensation is in  
27 compliance with the Kansas public employees retirement act at K.S.A.  
28 74-4901 et seq., and amendments thereto; ~~and~~

29 (13) provide taxpayer information of persons suspected of violating  
30 K.S.A. 2010 Supp. 44-766, and amendments thereto, to the staff attorneys  
31 of the department of labor for the purpose of determining compliance by  
32 any person with the provisions of K.S.A. 2010 Supp. 44-766, and  
33 amendments thereto, which information shall be limited to withholding  
34 tax and payroll information, the identity of any person that has been or is  
35 currently being audited or investigated in connection with the  
36 administration and enforcement of the withholding and declaration of  
37 estimated tax act, K.S.A. 79-3294 et seq., ~~and amendments thereto, as~~  
38 ~~amended~~; and the results or status of such audit or investigation; ~~and~~;

39 (14) *provide such information to the state treasurer for the*  
40 *sole purpose of carrying out the provisions of K.S.A. 58-3934 et seq.,*  
41 *and amendments thereto. Such information shall be limited to current*  
42 *and prior addresses of taxpayers or associated persons who may have*  
43 *knowledge as to the location of an owner of unclaimed property. For*

1     *the purposes of this paragraph, "associated persons" includes spouses*  
2     *or dependents listed on income tax returns.*

3     (d) Any person receiving information under the provisions of  
4 subsection (c) shall be subject to the confidentiality provisions of  
5 subsection (b) and to the penalty provisions of subsection (e).

6     (e) Any violation of subsection (b) or (c) is a class A nonperson  
7 misdemeanor and, if the offender is an officer or employee of the state,  
8 such officer or employee shall be dismissed from office.

9     (f) Nothing in this section shall be construed to allow disclosure of  
10 the amount of income or any particulars set forth or disclosed in any  
11 report, return, federal return or federal return information, where such  
12 disclosure is prohibited by the federal internal revenue code as in effect  
13 on September 1, 1996, and amendments thereto, related federal internal  
14 revenue rules or regulations, or other federal law.

15     Sec. 2. K.S.A. 2010 Supp. 79-3234 is hereby repealed.

16     Sec. 3. This act shall take effect and be in force from and after its  
17 publication in the Kansas register.  
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