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HOUSE BILL 1833

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State of Washington

63rd Legislature

2013 Regular Session

By Representatives Bergquist, Hargrove, Green, and Ryu; by request of Department of Licensing

Read first time 02/12/13. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to exempting tax information from public inspection  
2 and copying; reenacting and amending RCW 42.56.230; adding a new  
3 section to chapter 82.36 RCW; adding a new section to chapter 82.38  
4 RCW; and adding a new section to chapter 82.42 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 42.56.230 and 2011 c 350 s 2 and 2011 c 173 s 1 are  
7 each reenacted and amended to read as follows:

8 The following personal information is exempt from public inspection  
9 and copying under this chapter:

10 (1) Personal information in any files maintained for students in  
11 public schools, patients or clients of public institutions or public  
12 health agencies, or welfare recipients;

13 (2) Personal information((~~r~~)) including, but not limited to,  
14 addresses, telephone numbers, personal electronic mail addresses,  
15 social security numbers, emergency contact and date of birth  
16 information for a participant in a public or nonprofit program serving  
17 or pertaining to children, adolescents, or students, including but not  
18 limited to early learning or child care services, parks and recreation  
19 programs, youth development programs, and after-school programs.

1 Emergency contact information may be provided to appropriate  
2 authorities and medical personnel for the purpose of treating the  
3 individual during an emergency situation;

4 (3) Personal information in files maintained for employees,  
5 appointees, or elected officials of any public agency to the extent  
6 that disclosure would violate their right to privacy;

7 (4) Information required of any taxpayer in connection with the  
8 assessment or collection of any tax if the disclosure of the  
9 information to other persons would: (a) Be prohibited to such persons  
10 by RCW 84.08.210, 82.32.330, 84.40.020, 84.40.340, sections 2 through  
11 4 of this act, or any ordinance authorized under RCW 35.102.145; or (b)  
12 violate the taxpayer's right to privacy or result in unfair competitive  
13 disadvantage to the taxpayer;

14 (5) Credit card numbers, debit card numbers, electronic check  
15 numbers, card expiration dates, or bank or other financial account  
16 numbers, except when disclosure is expressly required by or governed by  
17 other law;

18 (6) Personal and financial information related to a small loan or  
19 any system of authorizing a small loan in RCW 31.45.093; and

20 (7)(a) Documents and related materials and scanned images of  
21 documents and related materials used to prove identity, age,  
22 residential address, social security number, or other personal  
23 information required to apply for a driver's license or identicard.

24 (b) Information provided under RCW 46.20.111 that indicates that an  
25 applicant declined to register with the selective service system.

26 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.36 RCW  
27 to read as follows:

28 Tax information, tax returns, supporting schedules, and documents  
29 accompanying tax returns and supporting schedules are confidential and  
30 privileged, and except as authorized by this section, neither the  
31 department of licensing nor any other person may disclose any tax  
32 information, tax returns, supporting schedules, or documents.

33 (2) For the purposes of this section, the following definitions  
34 apply:

35 (a)(i) "Tax information" means, except as provided otherwise in  
36 (a)(ii) of this subsection (2):

37 (A) A taxpayer's identity;

1 (B) The nature, source, or amount of the taxpayer's payments, tax  
2 refund applications and supporting documents, deductions, exemptions,  
3 credits, liabilities, tax liability deficiencies, assessments, fuel  
4 receipts, or distributions, whether taken from the taxpayer's books and  
5 records or any other source;

6 (C) Whether the taxpayer's return was, is being, or will be  
7 examined or subject to other investigation or processing;

8 (D) A part of a written tax determination or a background file  
9 document relating to a written tax determination;

10 (E) Information contained in audit files of licensees; and

11 (F) Records received by, recorded by, prepared by, furnished to, or  
12 collected by the department of licensing with respect to the  
13 determination of the existence, or possible existence, of liability, or  
14 the amount thereof, of a person under the laws of this state for a tax,  
15 penalty, interest, fine, forfeiture, or other imposition, or offense.

16 (ii) Records that do not disclose information related to a specific  
17 or identifiable taxpayer do not constitute tax information under this  
18 section.

19 (b) "Taxpayer identity" means the taxpayer's name, address,  
20 telephone number, registration number, or any combination thereof, or  
21 any other information disclosing the identity of the taxpayer.

22 (c) "Tax return" means a tax or information return or claim for  
23 refund required by, or provided for or permitted under, the laws of  
24 this state that is filed with the department of licensing by, on behalf  
25 of, or with respect to a person, and any amendment or supplement  
26 thereto, including supporting schedules, attachments, or lists that are  
27 supplemental to, or part of, the return so filed.

28 (3) This section does not prohibit the department of licensing  
29 from:

30 (a) Disclosing tax return or tax information in a civil or criminal  
31 judicial proceeding or an administrative proceeding:

32 (i) In respect of any tax imposed under the laws of this state if  
33 the taxpayer or its officer or other person liable under this chapter  
34 is a party in the proceeding;

35 (ii) In which the taxpayer about whom such tax return or tax  
36 information is sought and another state agency are adverse parties in  
37 the proceeding;

1 (b) Disclosing, subject to such requirements and conditions as the  
2 director prescribes by rules adopted pursuant to chapter 34.05 RCW, tax  
3 return or tax information regarding a taxpayer to such taxpayer or to  
4 such person or persons as that taxpayer may designate in a request for,  
5 or consent to, such disclosure, or to any other person, at the  
6 taxpayer's request, to the extent necessary to comply with a request  
7 for information or assistance made by the taxpayer to such other  
8 person. However, tax return or tax information not received from the  
9 taxpayer must not be disclosed if the director determines disclosure  
10 would compromise any investigation or litigation by any federal, state,  
11 or local government agency in connection with the civil or criminal  
12 liability of the taxpayer or another person, or disclosure would  
13 identify a confidential informant, or disclosure is contrary to any  
14 agreement entered into by the department that provides for the  
15 reciprocal exchange of information with other government agencies which  
16 agreement requires confidentiality with respect to information unless  
17 information is required to be disclosed to the taxpayer by the order of  
18 any court;

19 (c) Disclosing the name of a taxpayer against whom a lien or  
20 warrant under RCW 82.36.110 or 82.36.047 has been either issued or  
21 filed and remains outstanding for a period of at least ten working  
22 days. The department is not required to disclose any information under  
23 this subsection if a taxpayer has entered a deferred payment  
24 arrangement with the department for the payment of a lien or warrant  
25 that has not been filed and is making payments upon such deficiency  
26 that will fully satisfy the indebtedness;

27 (d) Publishing statistics classified as to prevent the  
28 identification of particular tax returns or reports or items thereof;

29 (e) Disclosing tax return or tax information, for official purposes  
30 only, to the governor or attorney general, or to any state agency, or  
31 to any committee or subcommittee of the legislature dealing with  
32 matters of taxation, revenue, trade, commerce, the control of industry  
33 or the professions;

34 (f) Permitting the department of licensing's records to be audited  
35 and examined by the proper state officer, his or her agents and  
36 employees;

37 (g) Disclosing any tax return or tax information to a peace officer  
38 as defined in RCW 9A.04.110 or county prosecuting attorney, for

1 official purposes. The disclosure may be made only in response to a  
2 search warrant, subpoena, or other court order, unless the disclosure  
3 is for the purpose of criminal tax enforcement. A peace officer or  
4 county prosecuting attorney who receives the tax return or tax  
5 information may disclose that tax return or tax information only for  
6 use in the investigation and a related court proceeding, or in the  
7 court proceeding for which the tax return or tax information originally  
8 was sought;

9 (h) Disclosing any tax return or tax information to the proper  
10 officer of the internal revenue service of the United States, the  
11 Canadian government or provincial governments of Canada, or to the  
12 proper officer of the tax department of any state or city or town or  
13 county, for official purposes, but only if the statutes of the United  
14 States, Canada or its provincial governments, or of such other state or  
15 city or town or county, as the case may be, grants substantially  
16 similar privileges to the proper officers of this state;

17 (i) Disclosing any tax return or tax information to the United  
18 States department of justice, including the bureau of alcohol, tobacco,  
19 firearms and explosives, the department of defense, the immigration and  
20 customs enforcement, and the customs and border protection agencies of  
21 the United States department of homeland security, the United States  
22 coast guard, the alcohol and tobacco tax and trade bureau of the United  
23 States department of treasury, and the United States department of  
24 transportation, or any authorized representative of these federal  
25 agencies, for official purposes;

26 (j) Disclosing, in a manner that is not associated with other tax  
27 information, the taxpayer name, entity type, business address, mailing  
28 address, license numbers, and the expiration date and status of such  
29 licenses. This subsection may not be construed as giving authority to  
30 the department to give, sell, or provide access to any list of  
31 taxpayers for any commercial purpose;

32 (k) Disclosing tax return or tax information also maintained by  
33 another Washington state or local governmental agency as a public  
34 record available for inspection and copying under the provisions of  
35 chapter 42.56 RCW or is a document maintained by a court of record and  
36 is not otherwise prohibited from disclosure;

37 (l) Disclosing such tax return or tax information to the court in  
38 respect to the department's application for a subpoena;

1 (m) Disclosing any tax return or tax information when the  
2 disclosure is specifically authorized under any other section of the  
3 Revised Code of Washington.

4 (4)(a) The department may disclose taxpayer information to a person  
5 under investigation or during any court or administrative proceeding  
6 against a person under investigation as provided in this subsection  
7 (4). The disclosure must be in connection with the department's  
8 official duties relating to an audit, collection activity, or a civil  
9 or criminal investigation. The disclosure may occur only when the  
10 person under investigation and the person in possession of data,  
11 materials, or documents are parties to the tax information to be  
12 disclosed. The department may disclose tax return or tax information  
13 such as invoices, contracts, bills, statements, or checks. However,  
14 the department may not disclose general ledgers, sales or cash receipt  
15 journals, check registers, accounts receivable/payable ledgers, general  
16 journals, financial statements, expert's workpapers, income tax  
17 returns, state tax returns, tax return workpapers, or other similar  
18 data, materials, or documents.

19 (b) Before disclosure of any tax return or tax information under  
20 this subsection (4), the department must, through written  
21 correspondence, inform the person in possession of the data, materials,  
22 or documents to be disclosed. The correspondence must clearly identify  
23 the data, materials, or documents to be disclosed. The department may  
24 not disclose tax return or tax information under this subsection (4)  
25 until the time period allowed in (c) of this subsection has expired or  
26 until the court has ruled on any challenge brought under (c) of this  
27 subsection.

28 (c) The person in possession of the data, materials, or documents  
29 to be disclosed by the department has twenty days from the receipt of  
30 the written request required under (b) of this subsection to petition  
31 the superior court of the county in which the petitioner resides for  
32 injunctive relief. The court must limit or deny the request of the  
33 department if the court determines that:

34 (i) The data, materials, or documents sought for disclosure are  
35 cumulative or duplicative, or are obtainable from some other source  
36 that is more convenient, less burdensome, or less expensive;

37 (ii) The production of the data, materials, or documents sought

1 would be unduly burdensome or expensive, taking into account the needs  
2 of the department, the amount in controversy, limitations on the  
3 petitioner's resources, and the importance of the issues at stake; or

4 (iii) The data, materials, or documents sought for disclosure  
5 contain trade secret information that, if disclosed, could harm the  
6 petitioner.

7 (d) The department must reimburse reasonable expenses for the  
8 production of data, materials, or documents incurred by the person in  
9 possession of the data, materials, or documents to be disclosed. The  
10 department may seek reimbursement for expenses incurred from the person  
11 who requested the information.

12 (e) Requesting information under (b) of this subsection that may  
13 indicate that a taxpayer is under investigation does not constitute a  
14 disclosure of tax information under this section.

15 (5) Service of a subpoena does not constitute a disclosure of tax  
16 return or tax information under this section. Notwithstanding anything  
17 else to the contrary in this section, a person served with a subpoena  
18 may disclose the existence or content of the subpoena to that person's  
19 legal counsel.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.38 RCW  
21 to read as follows:

22 Tax information, tax returns, supporting schedules, and documents  
23 accompanying tax returns and supporting schedules are confidential and  
24 privileged, and except as authorized by this section, neither the  
25 department of licensing nor any other person may disclose any tax  
26 information, tax returns, supporting schedules, or documents.

27 (2) For the purposes of this section, the following definitions  
28 apply:

29 (a)(i) "Tax information" means, except as provided otherwise in  
30 (a)(ii) of this subsection (2):

31 (A) A taxpayer's identity;

32 (B) The nature, source, or amount of the taxpayer's payments, tax  
33 refund applications and supporting documents, deductions, exemptions,  
34 credits, liabilities, tax liability deficiencies, assessments, fuel  
35 receipts, or distributions, whether taken from the taxpayer's books and  
36 records or any other source;

1 (C) Whether the taxpayer's return was, is being, or will be  
2 examined or subject to other investigation or processing;

3 (D) A part of a written tax determination or a background file  
4 document relating to a written tax determination;

5 (E) Information contained in audit files of licensees; and

6 (F) Records received by, recorded by, prepared by, furnished to, or  
7 collected by the department of licensing with respect to the  
8 determination of the existence, or possible existence, of liability, or  
9 the amount thereof, of a person under the laws of this state for a tax,  
10 penalty, interest, fine, forfeiture, or other imposition, or offense.

11 (ii) Records that do not disclose information related to a specific  
12 or identifiable taxpayer do not constitute tax information under this  
13 section.

14 (b) "Taxpayer identity" means the taxpayer's name, address,  
15 telephone number, registration number, or any combination thereof, or  
16 any other information disclosing the identity of the taxpayer.

17 (c) "Tax return" means a tax or information return or claim for  
18 refund required by, or provided for or permitted under, the laws of  
19 this state that is filed with the department of licensing by, on behalf  
20 of, or with respect to a person, and any amendment or supplement  
21 thereto, including supporting schedules, attachments, or lists that are  
22 supplemental to, or part of, the return so filed.

23 (3) This section does not prohibit the department of licensing  
24 from:

25 (a) Disclosing tax return or tax information in a civil or criminal  
26 judicial proceeding or an administrative proceeding:

27 (i) In respect of any tax imposed under the laws of this state if  
28 the taxpayer or its officer or other person liable under this chapter  
29 is a party in the proceeding;

30 (ii) In which the taxpayer about whom such tax return or tax  
31 information is sought and another state agency are adverse parties in  
32 the proceeding;

33 (b) Disclosing, subject to such requirements and conditions as the  
34 director prescribes by rules adopted pursuant to chapter 34.05 RCW, tax  
35 return or tax information regarding a taxpayer to such taxpayer or to  
36 such person or persons as that taxpayer may designate in a request for,  
37 or consent to, such disclosure, or to any other person, at the  
38 taxpayer's request, to the extent necessary to comply with a request



1 for information or assistance made by the taxpayer to such other  
2 person. However, tax return or tax information not received from the  
3 taxpayer must not be disclosed if the director determines disclosure  
4 would compromise any investigation or litigation by any federal, state,  
5 or local government agency in connection with the civil or criminal  
6 liability of the taxpayer or another person, or disclosure would  
7 identify a confidential informant, or disclosure is contrary to any  
8 agreement entered into by the department that provides for the  
9 reciprocal exchange of information with other government agencies which  
10 agreement requires confidentiality with respect to information unless  
11 information is required to be disclosed to the taxpayer by the order of  
12 any court;

13 (c) Disclosing the name of a taxpayer against whom a lien or  
14 warrant under RCW 82.36.110 or 82.36.047 has been either issued or  
15 filed and remains outstanding for a period of at least ten working  
16 days. The department is not required to disclose any information under  
17 this subsection if a taxpayer has entered a deferred payment  
18 arrangement with the department for the payment of a lien or warrant  
19 that has not been filed and is making payments upon such deficiency  
20 that will fully satisfy the indebtedness;

21 (d) Publishing statistics classified as to prevent the  
22 identification of particular tax returns or reports or items thereof;

23 (e) Disclosing tax return or tax information, for official purposes  
24 only, to the governor or attorney general, or to any state agency, or  
25 to any committee or subcommittee of the legislature dealing with  
26 matters of taxation, revenue, trade, commerce, the control of industry  
27 or the professions;

28 (f) Permitting the department of licensing's records to be audited  
29 and examined by the proper state officer, his or her agents and  
30 employees;

31 (g) Disclosing any tax return or tax information to a peace officer  
32 as defined in RCW 9A.04.110 or county prosecuting attorney, for  
33 official purposes. The disclosure may be made only in response to a  
34 search warrant, subpoena, or other court order, unless the disclosure  
35 is for the purpose of criminal tax enforcement. A peace officer or  
36 county prosecuting attorney who receives the tax return or tax  
37 information may disclose that tax return or tax information only for

1 use in the investigation and a related court proceeding, or in the  
2 court proceeding for which the tax return or tax information originally  
3 was sought;

4 (h) Disclosing any tax return or tax information to the proper  
5 officer of the internal revenue service of the United States, the  
6 Canadian government or provincial governments of Canada, or to the  
7 proper officer of the tax department of any state or city or town or  
8 county, for official purposes, but only if the statutes of the United  
9 States, Canada or its provincial governments, or of such other state or  
10 city or town or county, as the case may be, grants substantially  
11 similar privileges to the proper officers of this state;

12 (i) Disclosing any tax return or tax information to the United  
13 States department of justice, including the bureau of alcohol, tobacco,  
14 firearms and explosives, the department of defense, the immigration and  
15 customs enforcement, and the customs and border protection agencies of  
16 the United States department of homeland security, the United States  
17 coast guard, the alcohol and tobacco tax and trade bureau of the United  
18 States department of treasury, and the United States department of  
19 transportation, or any authorized representative of these federal  
20 agencies, for official purposes;

21 (j) Disclosing, in a manner that is not associated with other tax  
22 information, the taxpayer name, entity type, business address, mailing  
23 address, license numbers, and the expiration date and status of such  
24 licenses. This subsection may not be construed as giving authority to  
25 the department to give, sell, or provide access to any list of  
26 taxpayers for any commercial purpose;

27 (k) Disclosing tax return or tax information also maintained by  
28 another Washington state or local governmental agency as a public  
29 record available for inspection and copying under the provisions of  
30 chapter 42.56 RCW or is a document maintained by a court of record and  
31 is not otherwise prohibited from disclosure;

32 (l) Disclosing such tax return or tax information to the court in  
33 respect to the department's application for a subpoena;

34 (m) Disclosing any tax return or tax information when the  
35 disclosure is specifically authorized under any other section of the  
36 Revised Code of Washington.

37 (4)(a) The department may disclose taxpayer information to a person  
38 under investigation or during any court or administrative proceeding

1 against a person under investigation as provided in this subsection  
2 (4). The disclosure must be in connection with the department's  
3 official duties relating to an audit, collection activity, or a civil  
4 or criminal investigation. The disclosure may occur only when the  
5 person under investigation and the person in possession of data,  
6 materials, or documents are parties to the tax information to be  
7 disclosed. The department may disclose tax return or tax information  
8 such as invoices, contracts, bills, statements, or checks. However,  
9 the department may not disclose general ledgers, sales or cash receipt  
10 journals, check registers, accounts receivable/payable ledgers, general  
11 journals, financial statements, expert's workpapers, income tax  
12 returns, state tax returns, tax return workpapers, or other similar  
13 data, materials, or documents.

14 (b) Before disclosure of any tax return or tax information under  
15 this subsection (4), the department must, through written  
16 correspondence, inform the person in possession of the data, materials,  
17 or documents to be disclosed. The correspondence must clearly identify  
18 the data, materials, or documents to be disclosed. The department may  
19 not disclose tax return or tax information under this subsection (4)  
20 until the time period allowed in (c) of this subsection has expired or  
21 until the court has ruled on any challenge brought under (c) of this  
22 subsection.

23 (c) The person in possession of the data, materials, or documents  
24 to be disclosed by the department has twenty days from the receipt of  
25 the written request required under (b) of this subsection to petition  
26 the superior court of the county in which the petitioner resides for  
27 injunctive relief. The court must limit or deny the request of the  
28 department if the court determines that:

29 (i) The data, materials, or documents sought for disclosure are  
30 cumulative or duplicative, or are obtainable from some other source  
31 that is more convenient, less burdensome, or less expensive;

32 (ii) The production of the data, materials, or documents sought  
33 would be unduly burdensome or expensive, taking into account the needs  
34 of the department, the amount in controversy, limitations on the  
35 petitioner's resources, and the importance of the issues at stake; or

36 (iii) The data, materials, or documents sought for disclosure  
37 contain trade secret information that, if disclosed, could harm the  
38 petitioner.

1 (d) The department must reimburse reasonable expenses for the  
2 production of data, materials, or documents incurred by the person in  
3 possession of the data, materials, or documents to be disclosed. The  
4 department may seek reimbursement for expenses incurred from the person  
5 who requested the information.

6 (e) Requesting information under (b) of this subsection that may  
7 indicate that a taxpayer is under investigation does not constitute a  
8 disclosure of tax information under this section.

9 (5) Service of a subpoena does not constitute a disclosure of tax  
10 return or tax information under this section. Notwithstanding anything  
11 else to the contrary in this section, a person served with a subpoena  
12 may disclose the existence or content of the subpoena to that person's  
13 legal counsel.

14 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.42 RCW  
15 to read as follows:

16 Tax information, tax returns, supporting schedules, and documents  
17 accompanying tax returns and supporting schedules are confidential and  
18 privileged, and except as authorized by this section, neither the  
19 department of licensing nor any other person may disclose any tax  
20 information, tax returns, supporting schedules, or documents.

21 (2) For the purposes of this section, the following definitions  
22 apply:

23 (a)(i) "Tax information" means, except as provided otherwise in  
24 (a)(ii) of this subsection (2):

25 (A) A taxpayer's identity;

26 (B) The nature, source, or amount of the taxpayer's payments, tax  
27 refund applications and supporting documents, deductions, exemptions,  
28 credits, liabilities, tax liability deficiencies, assessments, fuel  
29 receipts, or distributions, whether taken from the taxpayer's books and  
30 records or any other source;

31 (C) Whether the taxpayer's return was, is being, or will be  
32 examined or subject to other investigation or processing;

33 (D) A part of a written tax determination or a background file  
34 document relating to a written tax determination;

35 (E) Information contained in audit files of licensees; and

36 (F) Records received by, recorded by, prepared by, furnished to, or  
37 collected by the department of licensing with respect to the

1 determination of the existence, or possible existence, of liability, or  
2 the amount thereof, of a person under the laws of this state for a tax,  
3 penalty, interest, fine, forfeiture, or other imposition, or offense.

4 (ii) Records that do not disclose information related to a specific  
5 or identifiable taxpayer do not constitute tax information under this  
6 section.

7 (b) "Taxpayer identity" means the taxpayer's name, address,  
8 telephone number, registration number, or any combination thereof, or  
9 any other information disclosing the identity of the taxpayer.

10 (c) "Tax return" means a tax or information return or claim for  
11 refund required by, or provided for or permitted under, the laws of  
12 this state that is filed with the department of licensing by, on behalf  
13 of, or with respect to a person, and any amendment or supplement  
14 thereto, including supporting schedules, attachments, or lists that are  
15 supplemental to, or part of, the return so filed.

16 (3) This section does not prohibit the department of licensing  
17 from:

18 (a) Disclosing tax return or tax information in a civil or criminal  
19 judicial proceeding or an administrative proceeding:

20 (i) In respect of any tax imposed under the laws of this state if  
21 the taxpayer or its officer or other person liable under this chapter  
22 is a party in the proceeding;

23 (ii) In which the taxpayer about whom such tax return or tax  
24 information is sought and another state agency are adverse parties in  
25 the proceeding;

26 (b) Disclosing, subject to such requirements and conditions as the  
27 director prescribes by rules adopted pursuant to chapter 34.05 RCW, tax  
28 return or tax information regarding a taxpayer to such taxpayer or to  
29 such person or persons as that taxpayer may designate in a request for,  
30 or consent to, such disclosure, or to any other person, at the  
31 taxpayer's request, to the extent necessary to comply with a request  
32 for information or assistance made by the taxpayer to such other  
33 person. However, tax return or tax information not received from the  
34 taxpayer must not be disclosed if the director determines disclosure  
35 would compromise any investigation or litigation by any federal, state,  
36 or local government agency in connection with the civil or criminal  
37 liability of the taxpayer or another person, or disclosure would  
38 identify a confidential informant, or disclosure is contrary to any

1 agreement entered into by the department that provides for the  
2 reciprocal exchange of information with other government agencies which  
3 agreement requires confidentiality with respect to information unless  
4 information is required to be disclosed to the taxpayer by the order of  
5 any court;

6 (c) Disclosing the name of a taxpayer against whom a lien or  
7 warrant under RCW 82.36.110 or 82.36.047 has been either issued or  
8 filed and remains outstanding for a period of at least ten working  
9 days. The department is not required to disclose any information under  
10 this subsection if a taxpayer has entered a deferred payment  
11 arrangement with the department for the payment of a lien or warrant  
12 that has not been filed and is making payments upon such deficiency  
13 that will fully satisfy the indebtedness;

14 (d) Publishing statistics classified as to prevent the  
15 identification of particular tax returns or reports or items thereof;

16 (e) Disclosing tax return or tax information, for official purposes  
17 only, to the governor or attorney general, or to any state agency, or  
18 to any committee or subcommittee of the legislature dealing with  
19 matters of taxation, revenue, trade, commerce, the control of industry  
20 or the professions;

21 (f) Permitting the department of licensing's records to be audited  
22 and examined by the proper state officer, his or her agents and  
23 employees;

24 (g) Disclosing any tax return or tax information to a peace officer  
25 as defined in RCW 9A.04.110 or county prosecuting attorney, for  
26 official purposes. The disclosure may be made only in response to a  
27 search warrant, subpoena, or other court order, unless the disclosure  
28 is for the purpose of criminal tax enforcement. A peace officer or  
29 county prosecuting attorney who receives the tax return or tax  
30 information may disclose that tax return or tax information only for  
31 use in the investigation and a related court proceeding, or in the  
32 court proceeding for which the tax return or tax information originally  
33 was sought;

34 (h) Disclosing any tax return or tax information to the proper  
35 officer of the internal revenue service of the United States, the  
36 Canadian government or provincial governments of Canada, or to the  
37 proper officer of the tax department of any state or city or town or  
38 county, for official purposes, but only if the statutes of the United

1 States, Canada or its provincial governments, or of such other state or  
2 city or town or county, as the case may be, grants substantially  
3 similar privileges to the proper officers of this state;

4 (i) Disclosing any tax return or tax information to the United  
5 States department of justice, including the bureau of alcohol, tobacco,  
6 firearms and explosives, the department of defense, the immigration and  
7 customs enforcement, and the customs and border protection agencies of  
8 the United States department of homeland security, the United States  
9 coast guard, the alcohol and tobacco tax and trade bureau of the United  
10 States department of treasury, and the United States department of  
11 transportation, or any authorized representative of these federal  
12 agencies, for official purposes;

13 (j) Disclosing, in a manner that is not associated with other tax  
14 information, the taxpayer name, entity type, business address, mailing  
15 address, license numbers, and the expiration date and status of such  
16 licenses. This subsection may not be construed as giving authority to  
17 the department to give, sell, or provide access to any list of  
18 taxpayers for any commercial purpose;

19 (k) Disclosing tax return or tax information also maintained by  
20 another Washington state or local governmental agency as a public  
21 record available for inspection and copying under the provisions of  
22 chapter 42.56 RCW or is a document maintained by a court of record and  
23 is not otherwise prohibited from disclosure;

24 (l) Disclosing such tax return or tax information to the court in  
25 respect to the department's application for a subpoena;

26 (m) Disclosing any tax return or tax information when the  
27 disclosure is specifically authorized under any other section of the  
28 Revised Code of Washington.

29 (4)(a) The department may disclose taxpayer information to a person  
30 under investigation or during any court or administrative proceeding  
31 against a person under investigation as provided in this subsection  
32 (4). The disclosure must be in connection with the department's  
33 official duties relating to an audit, collection activity, or a civil  
34 or criminal investigation. The disclosure may occur only when the  
35 person under investigation and the person in possession of data,  
36 materials, or documents are parties to the tax information to be  
37 disclosed. The department may disclose tax return or tax information  
38 such as invoices, contracts, bills, statements, or checks. However,

1 the department may not disclose general ledgers, sales or cash receipt  
2 journals, check registers, accounts receivable/payable ledgers, general  
3 journals, financial statements, expert's workpapers, income tax  
4 returns, state tax returns, tax return workpapers, or other similar  
5 data, materials, or documents.

6 (b) Before disclosure of any tax return or tax information under  
7 this subsection (4), the department must, through written  
8 correspondence, inform the person in possession of the data, materials,  
9 or documents to be disclosed. The correspondence must clearly identify  
10 the data, materials, or documents to be disclosed. The department may  
11 not disclose tax return or tax information under this subsection (4)  
12 until the time period allowed in (c) of this subsection has expired or  
13 until the court has ruled on any challenge brought under (c) of this  
14 subsection.

15 (c) The person in possession of the data, materials, or documents  
16 to be disclosed by the department has twenty days from the receipt of  
17 the written request required under (b) of this subsection to petition  
18 the superior court of the county in which the petitioner resides for  
19 injunctive relief. The court must limit or deny the request of the  
20 department if the court determines that:

21 (i) The data, materials, or documents sought for disclosure are  
22 cumulative or duplicative, or are obtainable from some other source  
23 that is more convenient, less burdensome, or less expensive;

24 (ii) The production of the data, materials, or documents sought  
25 would be unduly burdensome or expensive, taking into account the needs  
26 of the department, the amount in controversy, limitations on the  
27 petitioner's resources, and the importance of the issues at stake; or

28 (iii) The data, materials, or documents sought for disclosure  
29 contain trade secret information that, if disclosed, could harm the  
30 petitioner.

31 (d) The department must reimburse reasonable expenses for the  
32 production of data, materials, or documents incurred by the person in  
33 possession of the data, materials, or documents to be disclosed. The  
34 department may seek reimbursement for expenses incurred from the person  
35 who requested the information.

36 (e) Requesting information under (b) of this subsection that may  
37 indicate that a taxpayer is under investigation does not constitute a  
38 disclosure of tax information under this section.



1           (5) Service of a subpoena does not constitute a disclosure of tax  
2 return or tax information under this section. Notwithstanding anything  
3 else to the contrary in this section, a person served with a subpoena  
4 may disclose the existence or content of the subpoena to that person's  
5 legal counsel.

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