

# HOUSE BILL REPORT

## HB 3076

---

---

### As Reported By House Committee On:

Finance

**Title:** An act relating to sharing confidential tax information with the United States department of agriculture for the limited purpose of investigating food stamp fraud by retailers.

**Brief Description:** Authorizing sharing of tax information for purposes of investigating food stamp fraud.

**Sponsors:** Representatives H. Sommers, Cooke, Dickerson, Anderson, Gardner and Ogden.

**Brief History:**

**Committee Activity:**

Finance: 2/3/98, 2/4/98 [DPS].

---

### HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Mulliken, Vice Chairman; Dunshee, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Boldt; Butler; Conway; Kastama; Pennington; Schoesler; Thompson and Van Luven.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Mason.

**Staff:** Linda Brooks (786-7153).

**Background:** Generally, the Department of Revenue is prohibited from disclosing information about taxpayers. The department may disclose information about a taxpayer at the request of the taxpayer, as part of court proceedings, and under some other narrowly-defined circumstances.

For official purposes the department may share confidential taxpayer information with the Governor, the Attorney General, and state agencies and legislative committees that deal with matters of taxation, revenue, trade, and commerce. The department is also permitted to disclose tax information to the proper tax officers of counties, cities, towns,

another state, the federal Internal Revenue Service, the Canadian government, or any Canadian province, if these tax officers agree to share tax information on a reciprocal basis with the department.

In addition to the federal Internal Revenue Service, the department is also allowed to disclose for official purposes tax information to the following federal agencies:

- Department of Justice;
- Bureau of Alcohol, Tobacco and Firearms;
- Department of Defense;
- Customs Service;
- Coast Guard; and
- Department of Transportation.

**Summary of Substitute Bill:** The Department of Revenue may disclose tax information to the U.S. Department of Agriculture for the limited purpose of investigating food stamp fraud by retailers.

A person who receives confidential taxpayer information through the U.S. Department of Agriculture and wrongfully discloses that information commits a misdemeanor offense. If the person is a state employee or officer, then the person also loses his or her office or employment.

**Substitute Bill Compared to Original Bill:** Some general penalties apply to persons who wrongfully disclose confidential taxpayer information. Clarification is made that these penalties would apply to a person who receives confidential taxpayer information through the U.S. Department of Agriculture and wrongfully discloses that information.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** King County Executive Ron Sims has made the curtailment of food stamp abuse and fraud a priority. It is important to maintain the integrity of the food stamp program, and sharing tax information with the U.S. Department of Agriculture furthers this goal. The information sharing would be a reciprocal arrangement, as the U.S. Department of Agriculture would also share information with the Washington Department of Revenue.

**Testimony Against:** None.

**Testified:** Representative H. Sommers, sponsor; and Wayne North, U.S. Department of Agriculture (pro).