
SENATE BILL 5348

State of Washington

53rd Legislature

1993 Regular Session

By Senator A. Smith

Read first time 01/25/93. Referred to Committee on Law & Justice.

1 AN ACT Relating to disclosure of tax information and returns;
2 amending RCW 82.32.330; and prescribing penalties.

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

4 **Sec. 1.** RCW 82.32.330 and 1991 c 330 s 1 are each amended to read
5 as follows:

6 (1) For purposes of this section:

7 (a) "Disclose" means to make known to any person in any manner
8 whatever a return or tax information;

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

15 (c) "Tax information" means (i) a taxpayer's identity, (ii) the
16 nature, source, or amount of the taxpayer's income, payments, receipts,
17 deductions, exemptions, credits, assets, liabilities, net worth, tax
18 liability deficiencies, overassessments, or tax payments, whether taken
19 from the taxpayer's books and records or any other source, (iii)

1 whether the taxpayer's return was, is being, or will be examined or
2 subject to other investigation or processing, (iv) a part of a written
3 determination that is not designated as a precedent and disclosed
4 pursuant to RCW 82.32.410, or a background file document relating to a
5 written determination, and (v) other data received by, recorded by,
6 prepared by, furnished to, or collected by the department of revenue
7 with respect to the determination of the existence, or possible
8 existence, of liability, or the amount thereof, of a person under the
9 laws of this state for a tax, penalty, interest, fine, forfeiture, or
10 other imposition, or offense: PROVIDED, That data, material, or
11 documents that do not disclose information related to a specific or
12 identifiable taxpayer do not constitute tax information under this
13 section. Except as provided by RCW 82.32.410, nothing in this chapter
14 shall require any person possessing data, material, or documents made
15 confidential and privileged by this section to delete information from
16 such data, material, or documents so as to permit its disclosure;

17 (d) "State agency" means every Washington state office, department,
18 division, bureau, board, commission, or other state agency; and

19 (e) "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 (2) Returns and tax information shall be confidential and
23 privileged, and except as authorized by this section, neither the
24 department of revenue nor any officer, employee, agent, or
25 representative thereof nor any other person may disclose any return or
26 tax information.

27 (3) The foregoing, however, shall not prohibit the department of
28 revenue or an officer, employee, agent, or representative thereof from:

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

31 (i) In respect of any tax imposed under the laws of this state if
32 the taxpayer or its officer or other person liable under Title 82 RCW
33 is a party in the proceeding; or

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

37 (b) Disclosing, subject to such requirements and conditions as the
38 director shall prescribe by rules adopted pursuant to chapter 34.05
39 RCW, such return or tax information regarding a taxpayer to such

1 taxpayer or to such person or persons as that taxpayer may designate in
2 a request for, or consent to, such disclosure, or to any other person,
3 at the taxpayer's request, to the extent necessary to comply with a
4 request for information or assistance made by the taxpayer to such
5 other person: PROVIDED, That tax information not received from the
6 taxpayer shall not be so disclosed if the director determines that such
7 disclosure would compromise any investigation or litigation by any
8 federal, state, or local government agency in connection with the civil
9 or criminal liability of the taxpayer or another person, or that such
10 disclosure is contrary to any agreement entered into by the department
11 that provides for the reciprocal exchange of information with other
12 government agencies which agreement requires confidentiality with
13 respect to such information unless such information is required to be
14 disclosed to the taxpayer by the order of any court;

15 (c) Disclosing the name of a taxpayer with a deficiency greater
16 than five thousand dollars and against whom a warrant under RCW
17 82.32.210 has been either issued or (~~failed~~{filed}) filed and
18 remains outstanding for a period of at least ten working days. The
19 department shall not be required to disclose any information under this
20 subsection if a taxpayer: (i) Has been issued a tax assessment; (ii)
21 has been issued a warrant that has not been filed; and (iii) has
22 entered a deferred payment arrangement with the department of revenue
23 and is making payments upon such deficiency that will fully satisfy the
24 indebtedness within twelve months;

25 (d) Disclosing the name of a taxpayer with a deficiency greater
26 than five thousand dollars and against whom a warrant under RCW
27 82.32.210 has been filed with a court of record and remains
28 outstanding;

29 (e) Publishing statistics so classified as to prevent the
30 identification of particular returns or reports or items thereof;

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

36 (g) Permitting the department of revenue's records to be audited
37 and examined by the proper state officer, his or her agents and
38 employees;

1 (h) Disclosing any such return or tax information to a peace
2 officer as defined in RCW 9A.04.110 or county prosecuting attorney, for
3 official purposes. A peace officer or county prosecuting attorney who
4 receives such return or tax information may disclose that return or tax
5 information to another person not entitled to knowledge of that return
6 or tax information under the provisions of this section, if such
7 disclosure is made in the proper discharge of the official duties of
8 the prosecuting attorney or peace officer;

9 (i) Disclosing any such 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; or

17 ~~((i))~~ (j) Disclosing any such return or tax information to the
18 Department of Justice, the Bureau of Alcohol, Tobacco and Firearms of
19 the Department of the Treasury, the Department of Defense, the United
20 States customs service, the coast guard of the United States, and the
21 United States department of transportation, or any authorized
22 representative thereof, for official purposes;

23 ~~((j))~~ (k) Publishing or otherwise disclosing the text of a
24 written determination designated by the director as a precedent
25 pursuant to RCW 82.32.410; or

26 ~~((k))~~ (l) Disclosing, in a manner that is not associated with
27 other tax information, the taxpayer name, business address, mailing
28 address, revenue tax registration numbers, standard industrial
29 classification code of a taxpayer, and the dates of opening and closing
30 of business.

31 (4) Any person acquiring knowledge of any return or tax information
32 in the course of his or her employment with the department of revenue
33 and any person acquiring knowledge of any return or tax information as
34 provided under subsection (3) (f), (g), (h), ~~((e))~~ (i), or (j) of this
35 section, who discloses any such return or tax information to another
36 person not entitled to knowledge of such return or tax information
37 under the provisions of this section, shall ~~((upon conviction be~~
38 ~~punished by a fine not exceeding one thousand dollars and,)) be guilty~~
39 of a misdemeanor. If the person found guilty of such violation is an

1 officer or employee of the state, such person shall forfeit such office
2 or employment and shall be incapable of holding any public office or
3 employment in this state for a period of two years thereafter.

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