

DRAFT

SUMMARY

Directs Department of Revenue to disclose corporate excise and income tax returns to chairpersons and vice chairpersons of legislative committees related to revenue.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to corporate tax returns; creating new provisions; amending ORS
3 314.840; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2017 Act is added to and made a part**
6 **of ORS chapter 314.**

7 **SECTION 2. (1) The Department of Revenue shall disclose corporate**
8 **excise and income tax returns to the chairpersons and vice chair-**
9 **persons of each legislative committee related to revenue, for the pur-**
10 **pose of assisting each member described in this subsection in**
11 **preparing legislation.**

12 **(2) Prior to viewing returns disclosed under this section, each**
13 **member of the Legislative Assembly shall complete a written agree-**
14 **ment to keep all disclosed taxpayer information confidential.**

15 **SECTION 3. ORS 314.840 is amended to read:**

16 314.840. (1) The Department of Revenue may:

17 (a) Furnish any taxpayer, representative authorized to represent the tax-
18 payer under ORS 305.230 or person designated by the taxpayer under ORS
19 305.193, upon request of the taxpayer, representative or designee, with a copy
20 of the taxpayer's income tax return filed with the department for any year,

1 or with a copy of any report filed by the taxpayer in connection with the
2 return, or with any other information the department considers necessary.

3 (b) Publish lists of taxpayers who are entitled to unclaimed tax refunds.

4 (c) Publish statistics so classified as to prevent the identification of in-
5 come or any particulars contained in any report or return.

6 (d) Disclose a taxpayer's name, address, telephone number, refund amount,
7 amount due, Social Security number, employer identification number or other
8 taxpayer identification number to the extent necessary in connection with
9 collection activities or the processing and mailing of correspondence or of
10 forms for any report or return required in the administration of any local
11 tax under ORS 305.620 or any law imposing a tax upon or measured by net
12 income.

13 (2) The department also may disclose and give access to information de-
14 scribed in ORS 314.835 to:

15 (a) The Governor of the State of Oregon or the authorized representative
16 of the Governor with respect to an individual who is designated as being
17 under consideration for appointment or reappointment to an office or for
18 employment in the office of the Governor. The information disclosed shall
19 be confined to whether the individual:

20 (A) Has filed returns with respect to the taxes imposed by ORS chapter
21 316 for those of not more than the three immediately preceding years for
22 which the individual was required to file an Oregon individual income tax
23 return.

24 (B) Has failed to pay any tax within 30 days from the date of mailing of
25 a deficiency notice or otherwise respond to a deficiency notice within 30 days
26 of its mailing.

27 (C) Has been assessed any penalty under the Oregon personal income tax
28 laws and the nature of the penalty.

29 (D) Has been or is under investigation for possible criminal offenses un-
30 der the Oregon personal income tax laws. Information disclosed pursuant to
31 this paragraph shall be used only for the purpose of making the appointment,

1 reappointment or decision to employ or not to employ the individual in the
2 office of the Governor.

3 (b) An officer or employee of the Oregon Department of Administrative
4 Services duly authorized or employed to prepare revenue estimates, or a
5 person contracting with the Oregon Department of Administrative Services
6 to prepare revenue estimates, in the preparation of revenue estimates re-
7 quired for the Governor's budget under ORS 291.201 to 291.226, or required
8 for submission to the Emergency Board or the Joint Interim Committee on
9 Ways and Means, **or to the chairpersons and vice chairpersons of legis-**
10 **lative committees related to revenue, under section 2 of this 2017 Act,**
11 or if the Legislative Assembly is in session, to the Joint Committee on Ways
12 and Means, and to the Legislative Revenue Officer or Legislative Fiscal Of-
13 ficer under ORS 291.342, 291.348 and 291.445 . The Department of Revenue
14 shall disclose and give access to the information described in ORS 314.835
15 for the purposes of this paragraph only if:

16 (A) The request for information is made in writing, specifies the purposes
17 for which the request is made and is signed by an authorized representative
18 of the Oregon Department of Administrative Services. The form for request
19 for information shall be prescribed by the Oregon Department of Adminis-
20 trative Services and approved by the Director of the Department of Revenue.

21 (B) The officer, employee or person receiving the information does not
22 remove from the premises of the Department of Revenue any materials that
23 would reveal the identity of a personal or corporate taxpayer.

24 (c) The Commissioner of Internal Revenue or authorized representative,
25 for tax administration and compliance purposes only.

26 (d) For tax administration and compliance purposes, the proper officer or
27 authorized representative of any of the following entities that has or is
28 governed by a provision of law that meets the requirements of any applicable
29 provision of the Internal Revenue Code as to confidentiality:

30 (A) A state;

31 (B) A city, county or other political subdivision of a state;

1 (C) The District of Columbia; or

2 (D) An association established exclusively to provide services to federal,
3 state or local taxing authorities.

4 (e) The Multistate Tax Commission or its authorized representatives, for
5 tax administration and compliance purposes only. The Multistate Tax Com-
6 mission may make the information available to the Commissioner of Internal
7 Revenue or the proper officer or authorized representative of any govern-
8 mental entity described in and meeting the qualifications of paragraph (d)
9 of this subsection.

10 (f) The Attorney General, assistants and employees in the Department of
11 Justice, or other legal representative of the State of Oregon, to the extent
12 the department deems disclosure or access necessary for the performance of
13 the duties of advising or representing the department pursuant to ORS
14 180.010 to 180.240 and the tax laws of this state.

15 (g) Employees of the State of Oregon, other than of the Department of
16 Revenue or Department of Justice, to the extent the department deems dis-
17 closure or access necessary for such employees to perform their duties under
18 contracts or agreements between the department and any other department,
19 agency or subdivision of the State of Oregon, in the department's adminis-
20 tration of the tax laws.

21 (h) Other persons, partnerships, corporations and other legal entities, and
22 their employees, to the extent the department deems disclosure or access
23 necessary for the performance of such others' duties under contracts or
24 agreements between the department and such legal entities, in the
25 department's administration of the tax laws.

26 (i) The Legislative Revenue Officer or authorized representatives upon
27 compliance with ORS 173.850. Such officer or representative shall not remove
28 from the premises of the department any materials that would reveal the
29 identity of any taxpayer or any other person.

30 (j) The Department of Consumer and Business Services, to the extent the
31 department requires such information to determine whether it is appropriate

1 to adjust those workers' compensation benefits the amount of which is based
2 pursuant to ORS chapter 656 on the amount of wages or earned income re-
3 ceived by an individual.

4 (k) Any agency of the State of Oregon, or any person, or any officer or
5 employee of such agency or person to whom disclosure or access is given by
6 state law and not otherwise referred to in this section, including but not
7 limited to the Secretary of State as Auditor of Public Accounts under Article
8 VI, section 2, of the Oregon Constitution; the Department of Human Services
9 pursuant to ORS 412.094; the Division of Child Support of the Department
10 of Justice and district attorney regarding cases for which they are providing
11 support enforcement services under ORS 25.080; the State Board of Tax
12 Practitioners, pursuant to ORS 673.710; and the Oregon Board of
13 Accountancy, pursuant to ORS 673.415.

14 (L) The Director of the Department of Consumer and Business Services
15 to determine that a person complies with ORS chapter 656 and the Director
16 of the Employment Department to determine that a person complies with
17 ORS chapter 657, the following employer information:

18 (A) Identification numbers.

19 (B) Names and addresses.

20 (C) Inception date as employer.

21 (D) Nature of business.

22 (E) Entity changes.

23 (F) Date of last payroll.

24 (m) The Director of the Oregon Health Authority to determine that a
25 person has the ability to pay for care that includes services provided by the
26 Oregon State Hospital, or the Oregon Health Authority to collect any unpaid
27 cost of care as provided by ORS chapter 179.

28 (n) Employees of the Employment Department to the extent the Depart-
29 ment of Revenue deems disclosure or access to information on a combined
30 tax report filed under ORS 316.168 is necessary to performance of their duties
31 in administering the tax imposed by ORS chapter 657.

1 (o) The State Fire Marshal to assist the State Fire Marshal in carrying
2 out duties, functions and powers under ORS 453.307 to 453.414, the employer
3 or agent name, address, telephone number and standard industrial classi-
4 fication, if available.

5 (p) Employees of the Department of State Lands for the purposes of
6 identifying, locating and publishing lists of taxpayers entitled to unclaimed
7 refunds as required by the provisions of chapter 694, Oregon Laws 1993. The
8 information shall be limited to the taxpayer's name, address and the refund
9 amount.

10 (q) In addition to the disclosure allowed under ORS 305.225, state or local
11 law enforcement agencies to assist in the investigation or prosecution of the
12 following criminal activities:

13 (A) Mail theft of a check, in which case the information that may be
14 disclosed shall be limited to the stolen document, the name, address and
15 taxpayer identification number of the payee, the amount of the check and the
16 date printed on the check.

17 (B) The counterfeiting, forging or altering of a check submitted by a
18 taxpayer to the Department of Revenue or issued by the Department of
19 Revenue to a taxpayer, in which case the information that may be disclosed
20 shall be limited to the counterfeit, forged or altered document, the name,
21 address and taxpayer identification number of the payee, the amount of the
22 check, the date printed on the check and the altered name and address.

23 (r) The United States Postal Inspection Service or a federal law enforce-
24 ment agency, including but not limited to the United States Department of
25 Justice, to assist in the investigation of the following criminal activities:

26 (A) Mail theft of a check, in which case the information that may be
27 disclosed shall be limited to the stolen document, the name, address and
28 taxpayer identification number of the payee, the amount of the check and the
29 date printed on the check.

30 (B) The counterfeiting, forging or altering of a check submitted by a
31 taxpayer to the Department of Revenue or issued by the Department of

1 Revenue to a taxpayer, in which case the information that may be disclosed
2 shall be limited to the counterfeit, forged or altered document, the name,
3 address and taxpayer identification number of the payee, the amount of the
4 check, the date printed on the check and the altered name and address.

5 (s) The United States Financial Management Service, for purposes of fa-
6 cilitating the offsets described in ORS 305.612.

7 (t) A municipal corporation of this state for purposes of assisting the
8 municipal corporation in the administration of a tax of the municipal cor-
9 poration that is imposed on or measured by income, wages or net earnings
10 from self-employment. Any disclosure under this paragraph may be made only
11 pursuant to a written agreement between the Department of Revenue and the
12 municipal corporation that ensures the confidentiality of the information
13 disclosed.

14 (u) A consumer reporting agency, to the extent necessary to carry out the
15 purposes of ORS 314.843.

16 (v) The Public Employees Retirement Board, to the extent necessary to
17 carry out the purposes of ORS 238.372 to 238.384, and to any public employer,
18 to the extent necessary to carry out the purposes of ORS 237.635 (3) and
19 237.637 (2).

20 (3)(a) Each officer or employee of the department and each person de-
21 scribed or referred to in subsection (2)(a), (b), (f) to (L) or (n) to (q) of this
22 section to whom disclosure or access to the tax information is given under
23 subsection (2) of this section or any other provision of state law, prior to
24 beginning employment or the performance of duties involving such disclosure
25 or access, shall be advised in writing of the provisions of ORS 314.835 and
26 314.991, relating to penalties for the violation of ORS 314.835, and shall as
27 a condition of employment or performance of duties execute a certificate for
28 the department, in a form prescribed by the department, stating in substance
29 that the person has read these provisions of law, that the person has had
30 them explained and that the person is aware of the penalties for the violation
31 of ORS 314.835.

1 (b) The disclosure authorized in subsection (2)(r) of this section shall be
2 made only after a written agreement has been entered into between the De-
3 partment of Revenue and the person described in subsection (2)(r) of this
4 section to whom disclosure or access to the tax information is given, pro-
5 viding that:

6 (A) Any information described in ORS 314.835 that is received by the
7 person pursuant to subsection (2)(r) of this section is confidential informa-
8 tion that may not be disclosed, except to the extent necessary to investigate
9 or prosecute the criminal activities described in subsection (2)(r) of this
10 section;

11 (B) The information shall be protected as confidential under applicable
12 federal and state laws; and

13 (C) The United States Postal Inspection Service or the federal law
14 enforcement agency shall give notice to the Department of Revenue of any
15 request received under the federal Freedom of Information Act, 5 U.S.C. 552,
16 or other federal law relating to the disclosure of information.

17 (4) The Department of Revenue may recover the costs of furnishing the
18 information described in subsection (2)(L), (m) and (o) to (q) of this section
19 from the respective agencies.

20 **SECTION 4. This 2017 Act takes effect on the 91st day after the date**
21 **on which the 2017 regular session of the Seventy-ninth Legislative**
22 **Assembly adjourns sine die.**

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