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

Be it enacted by the Legislature of the State of Kansas:

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

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

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

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

        (3) provide the post auditor access to all income tax reports or
returns in accordance with and subject to the provisions of subsection (g) of K.S.A. 46-1106 or K.S.A. 46-1114, and amendments thereto;

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

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

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

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

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

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

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

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

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

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

(14) provide such information to the state treasurer for the sole
purpose of carrying out the provisions of K.S.A. 58-3934, and
amendments thereto. Such information shall be limited to current and
prior addresses of taxpayers or associated persons who may have
knowledge as to the location of an owner of unclaimed property. For the
purposes of this paragraph, "associated persons" includes spouses or
dependents listed on income tax returns.

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

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

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

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

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