

[As Amended by Senate Committee of the Whole]

As Amended by Senate Committee

Session of 2010

SENATE BILL No. 479

By Committee on Ways and Means

1-28

12 AN ACT concerning unclaimed property; regarding tax information; dis-
13 closure of information to the state treasurer for the purpose of locating
14 unclaimed property owners; amending K.S.A. 2009 Supp. 79-3234 and
15 repealing the existing section.
16

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

18 Section 1. K.S.A. 2009 Supp. 79-3234 is hereby amended to read as
19 follows: 79-3234. (a) All reports and returns required by this act shall be
20 preserved for three years and thereafter until the director orders them
21 to be destroyed.

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

42 (c) The secretary or the secretary's designee may: (1) Publish statis-
43 tics, so classified as to prevent the identification of particular reports or

- 1 returns and the items thereof;
- 2 (2) allow the inspection of returns by the attorney general or other
3 legal representatives of the state;
- 4 (3) provide the post auditor access to all income tax reports or returns
5 in accordance with and subject to the provisions of subsection (g) of
6 K.S.A. 46-1106 or K.S.A. 46-1114, and amendments thereto;
- 7 (4) disclose taxpayer information from income tax returns to persons
8 or entities contracting with the secretary of revenue where the secretary
9 has determined disclosure of such information is essential for completion
10 of the contract and has taken appropriate steps to preserve confidentiality;
- 11 (5) disclose to the secretary of commerce the following: (A) Specific
12 taxpayer information related to financial information previously submitted
13 by the taxpayer to the secretary of commerce concerning or relevant to
14 any income tax credits, for purposes of verification of such information
15 or evaluating the effectiveness of any tax credit program administered by
16 the secretary of commerce; and (B) findings related to a compliance audit
17 conducted by the department of revenue upon the request of the sec-
18 retary of commerce pursuant to K.S.A. 2009 Supp. 74-50,215, and
19 amendments thereto;
- 20 (6) disclose income tax returns to the state gaming agency to be used
21 solely for the purpose of determining qualifications of licensees of and
22 applicants for licensure in tribal gaming. Any information received by the
23 state gaming agency shall be confidential and shall not be disclosed except
24 to the executive director, employees of the state gaming agency and mem-
25 bers and employees of the tribal gaming commission;
- 26 (7) disclose the taxpayer's name, last known address and residency
27 status to the department of wildlife and parks to be used solely in its
28 license fraud investigations;
- 29 (8) disclose the name, residence address, employer or Kansas ad-
30 justed gross income of a taxpayer who may have a duty of support in a
31 title IV-D case to the secretary of the Kansas department of social and
32 rehabilitation services for use solely in administrative or judicial proceed-
33 ings to establish, modify or enforce such support obligation in a title IV-
34 D case. In addition to any other limits on use, such use shall be allowed
35 only where subject to a protective order which prohibits disclosure out-
36 side of the title IV-D proceeding. As used in this section, "title IV-D
37 case" means a case being administered pursuant to part D of title IV of
38 the federal social security act (42 U.S.C. §651 et seq.) and amendments
39 thereto. Any person receiving any information under the provisions of
40 this subsection shall be subject to the confidentiality provisions of sub-
41 section (b) and to the penalty provisions of subsection (e);
- 42 (9) permit the commissioner of internal revenue of the United States,
43 or the proper official of any state imposing an income tax, or the author-

1 ized representative of either, to inspect the income tax returns made
2 under this act and the secretary of revenue may make available or furnish
3 to the taxing officials of any other state or the commissioner of internal
4 revenue of the United States or other taxing officials of the federal gov-
5 ernment, or their authorized representatives, information contained in
6 income tax reports or returns or any audit thereof or the report of any
7 investigation made with respect thereto, filed pursuant to the income tax
8 laws, as the secretary may consider proper, but such information shall not
9 be used for any other purpose than that of the administration of tax laws
10 of such state, the state of Kansas or of the United States;

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

17 (11) communicate to the executive director of the Kansas racing com-
18 mission as to whether a person, partnership or corporation has failed to
19 meet any tax obligation to the state of Kansas for the purpose of deter-
20 mining whether such person, partnership or corporation is eligible for a
21 facility owner license or facility manager license pursuant to the Kansas
22 parimutuel racing act;

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

28 (13) provide taxpayer information of persons suspected of violating
29 K.S.A. 2009 Supp. 44-766, and amendments thereto, to the staff attorneys
30 of the department of labor for the purpose of determining compliance
31 by any person with the provisions of K.S.A. 2009 Supp. 44-766, and
32 amendments thereto, which information shall be limited to withholding
33 tax and payroll information, the identity of any person that has been or
34 is currently being audited or investigated in connection with the admin-
35 istration and enforcement of the withholding and declaration of estimated
36 tax act, K.S.A. 79-3294 et seq., as amended, and the results or status of
37 such audit or investigation; *and*

38 (14) *provide such information to the state treasurer for the sole pur-*
39 *pose of carrying out the provisions of K.S.A. 58-3934 et seq., and amend-*
40 *ments thereto. ~~This includes, but is not~~ [Such information shall be]*
41 *limited to; current and prior addresses of taxpayers or associated individ-*
42 *uals persons who may have knowledge as to the location of an owner of*
43 *unclaimed property. For the purposes of this paragraph, "associated per-*

1 *sons” includes spouses or dependents listed on income tax returns.*

2 (d) Any person receiving information under the provisions of subsec-
3 tion (c) shall be subject to the confidentiality provisions of subsection (b)
4 and to the penalty provisions of subsection (e).

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

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

14 Sec. 2. K.S.A. 2009 Supp. 79-3234 is hereby repealed.

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