

By: Representatives Brown, Mayo, Whittington To: Judiciary A

HOUSE BILL NO. 611

1 AN ACT TO REQUIRE THE ATTORNEY GENERAL, THE STATE TAX
2 COMMISSION, THE DEPARTMENT OF PUBLIC SAFETY AND THE BUREAU OF
3 NARCOTICS TO CREATE A TASK FORCE TO FACILITATE THE INVESTIGATION
4 AND PROSECUTION OF DRUG TRAFFICKING KINGPINS REGARDING TAX EVASION
5 AND OTHER CRIMES; TO REQUIRE REPORTING AND DETERMINATIONS OF
6 POSSIBLE VIOLATIONS OF LAW BEFORE PROSECUTION; TO AUTHORIZE A
7 CRIMINAL INVESTIGATOR TO BE EMPLOYED BY THE STATE TAX COMMISSION;
8 TO REQUIRE THAT CERTAIN INFORMATION SHALL BE CONFIDENTIAL; TO
9 DEFINE CERTAIN TERMS; TO AMEND SECTION 27-3-79, MISSISSIPPI CODE
10 OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; TO AUTHORIZE
11 THE ATTORNEY GENERAL TO PROMULGATE RULES AND REGULATIONS; AND FOR
12 RELATED PURPOSES.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

14 **SECTION 1.** (1) The Attorney General, the State Tax
15 Commission, the Department of Public Safety and the Bureau of
16 Narcotics shall create a task force to facilitate the transfer of
17 information from law enforcement agencies to the Attorney General
18 indicating that an individual is a drug trafficking kingpin, is
19 laundering money received from drug trafficking and is likely
20 evading the income reporting requirements of state law. The
21 Attorney General shall examine all relevant information to
22 determine the probability that such violations of law exist. The
23 Attorney General may enlist the aid of any other law enforcement
24 agency in the state in an investigation under this section. If
25 the Attorney General determines that tax evasion is probably
26 occurring, he shall forward the information to the State Tax
27 Commission with a request that the State Tax Commission perform a
28 criminal tax evasion investigation. The State Tax Commission
29 shall report its preliminary findings to the Attorney General
30 within one hundred twenty (120) days after receiving the
31 information.

32 (2) If the State Tax Commission's report to the Attorney
33 General indicates that the individual who is the subject of the
34 investigation has failed to report income as required by law and
35 such failure constitutes a criminal violation, the Attorney
36 General is authorized to prosecute the individual for criminal tax
37 violations. The Attorney General is authorized to file an ex
38 parte petition for release of tax information to the Bureau of
39 Narcotics for presentation to appropriate state or federal
40 prosecutors for the prosecution of federal tax offenses or other
41 applicable offenses.

42 (3) Subject to available funding, the State Tax Commission
43 is authorized to employ a criminal investigator to carry out the
44 investigative and reporting requirements of this section.

45 (4) Any information received by the Attorney General, the
46 State Tax Commission, the Bureau of Narcotics or other law
47 enforcement agency shall be confidential except to the extent that
48 disclosure is necessary to pursue tax evasion or other criminal
49 tax charges or unless a proper judicial order is obtained.
50 Information received under this section is exempt from the
51 Mississippi Public Records Act of 1983.

52 (5) As used in this section:

53 (a) "Drug trafficking kingpin" means an individual who
54 directs or participates in directing the illegal activities of a
55 kingpin organization.

56 (b) "Kingpin organization" means a group of
57 individuals, operating as a group either formally or informally,
58 who sell, transport, manufacture and/or deliver controlled
59 substances in felony violation of the Uniform Controlled
60 Substances Law. To qualify as a kingpin organization, the group
61 would either have to distribute major quantities of controlled
62 substances, or their trafficking activities would have to occur in
63 or affect more than one (1) circuit court district.

64 **SECTION 2.** Section 27-3-79, Mississippi Code of 1972, is
65 amended as follows:

66 27-3-79. * * *

67 (1) Any person * * * who * * * willfully attempts in any
68 manner to evade or defeat any tax imposed by the State Tax
69 Commission, or assists in the evading of such tax or the payment
70 thereof, including violations determined under Section 1 of House
71 Bill No. 611, 2004 Regular Session, shall, in addition to other
72 penalties provided by law, be guilty of a felony and, upon
73 conviction thereof, shall be fined not more than One Hundred
74 Thousand Dollars (\$100,000.00) and, in the case of a corporation,
75 not more than Five Hundred Thousand Dollars (\$500,000.00), or
76 imprisoned not more than five (5) years, or both.

77 (2) Any prosecutions for tax evasion as described in this
78 section shall be commenced within six (6) years next after the
79 statutory due date for the taxes in issue.

80 **SECTION 3.** The Attorney General is authorized to promulgate
81 any necessary rules and regulations to carry out the provisions of
82 this act.

83 **SECTION 4.** This act shall take effect and be in force from
84 and after July 1, 2004.