

By: False

To: Ways and Means

HOUSE BILL NO. 1095

1 AN ACT TO AUTHORIZE THE COMMISSIONER OF REVENUE TO DEVELOP
2 PROCEDURES FOR THE RECEIPT AND CONSIDERATION OF OFFERS TO
3 COMPROMISE AND SETTLE FINALLY DETERMINED TAX LIABILITIES THAT ARE
4 DOUBTFUL CLAIMS; TO AUTHORIZE THE COMMISSIONER OF REVENUE TO ENTER
5 INTO AN AGREEMENT WITH A TAXPAYER UNDER WHICH A FINALLY DETERMINED
6 TAX LIABILITY THAT IS A DOUBTFUL CLAIM IS SETTLED AND COMPROMISED;
7 TO PROVIDE THAT IF THE SETTLEMENT AGREEMENT IS APPROVED BY THE
8 GOVERNOR, THE AGREEMENT SHALL BE BINDING AND A TAXPAYER'S
9 LIABILITIES FOR TAXES, INTEREST AND PENALTIES WILL BE FULLY AND
10 FINALLY COMPROMISED; TO PROVIDE THAT IF THE COMMISSIONER OF
11 REVENUE LATER DETERMINES THAT THE TAXPAYER MISREPRESENTED THE
12 FINANCIAL CONDITION OF THE TAXPAYER OR ANY PROPERTY BELONGING TO
13 THE TAXPAYER OR OTHER PERSON LIABLE FOR THE TAX, ALL COMPROMISED
14 LIABILITIES MAY BE REESTABLISHED; TO AMEND SECTION 31-19-27,
15 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A DOUBTFUL CLAIM IS A
16 CLAIM FOR A FINALLY DETERMINED TAX LIABILITY FOR WHICH A NOTICE OF
17 TAX LIEN HAS BEEN ENROLLED IN THE UNIFORM STATE TAX LIEN REGISTRY
18 AND FOR THE COLLECTION OF WHICH THE ORDINARY PROCESS OF LAW HAS
19 BEEN INEFFECTUAL; TO AMEND SECTION 31-19-29, MISSISSIPPI CODE OF
20 1972, TO AUTHORIZE THE COMMISSIONER OF REVENUE AND THE DEPARTMENT
21 OF REVENUE TO PROVIDE CERTAIN INFORMATION REGARDING DOUBTFUL
22 CLAIMS TO THE GOVERNOR OR HIS DESIGNATED REPRESENTATIVE; TO AMEND
23 SECTIONS 27-3-73, 27-7-83, 27-13-57 AND 27-65-81, MISSISSIPPI CODE
24 OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

26 **SECTION 1.** (1) The Commissioner of Revenue shall develop
27 procedures for the receipt and consideration of offers to
28 compromise and settle doubtful claims as defined in Section
29 31-19-27. If the commissioner makes a determination that a



30 finally determined tax liability is a doubtful claim as defined in
31 Section 31-19-27 and should be settled and compromised, that
32 recommendation shall be made to the Governor as provided in
33 Section 31-19-29.

34 (2) Upon approval by the Governor, the Commissioner of
35 Revenue is authorized to enter into an agreement with a taxpayer
36 under which a finally determined tax liability that is a doubtful
37 claim is settled and compromised. The settlement agreement shall
38 be binding and a taxpayer's liabilities for taxes, interest and
39 penalties will be fully and finally compromised. If the
40 Commissioner of Revenue later determines that the taxpayer
41 misrepresented, whether intentionally or not, the financial
42 condition of the taxpayer or any property belonging to the
43 taxpayer or other person liable for the tax, all compromised
44 liabilities may be reestablished without regard to any statute of
45 limitations that otherwise may be applicable.

46 (3) The Commissioner of Revenue shall have all powers
47 necessary to implement and administer this section, and shall
48 promulgate rules and regulations, in accordance with the
49 Mississippi Administrative Procedures Law, necessary for the
50 implementation of this section.

51 **SECTION 2.** Section 31-19-27, Mississippi Code of 1972, is
52 amended as follows:

53 31-19-27. (1) A doubtful claim of the state, or of the
54 county, city, town, village, or levee board is one for which



55 judgment has been rendered and for the collection of which the
56 ordinary process of law has been ineffectual; debts due by
57 drainage districts or other taxing districts or sinking funds to
58 counties under the Rehabilitation Act of 1928, being Chapter
59 88 * * *, Laws of 1928, and Chapter 16 of the Acts of the Special
60 Session of 1931; those debts due counties by drainage districts,
61 which the Reconstruction Finance Corporation has heretofore
62 refused to refinance; debts due for sixteenth section township
63 school fund loans made to churches, where the board of supervisors
64 finds that the value of the security given therefor is
65 insufficient or inadequate to pay or satisfy the principal and
66 interest of said loan, and when the church repays the principal of
67 said loan; and debts due by counties and townships to drainage
68 districts for drainage district assessments or taxes levied and
69 assessed upon sixteenth section lands.

70 (2) A doubtful claim also is one for which a notice of tax
71 lien has been enrolled in the Uniform State Tax Lien registry for
72 a finally determined tax liability and for the collection of which
73 the ordinary process of law has been ineffectual.

74 **SECTION 3.** Section 31-19-29, Mississippi Code of 1972, is
75 amended as follows:

76 31-19-29. (1) The Governor, on the advice of the Attorney
77 General or * * * Commissioner of Revenue of the * * * Department
78 of Revenue, may, upon application of the defendant or debtor
79 proposing a compromise, settle and compromise any doubtful claim



80 of the state, or of any county, city, town, or village, or of any
81 levee board against such defendant or debtor, upon such terms as
82 he may deem proper, the board of supervisors in the case of a
83 county, and the municipal authorities in the case of a city, town
84 or village, and the levee board in the case of a claim of a levee
85 board, concurring therein. The Governor, upon application of a
86 drainage district having obligations outstanding to a county under
87 the provisions of Chapter 88, Laws of 1928, and Chapter 16, Laws
88 of the Extraordinary Session of 1931, or obligations which the
89 Reconstruction Finance Corporation has heretofore refused to
90 refinance, may settle and compromise any claim, debt or obligation
91 that said drainage district may owe any county in the State of
92 Mississippi for money loaned said district under the provisions of
93 said Chapter 88, Laws of 1928, or any other claim, debt or
94 obligation that said drainage district may owe the county which
95 the Reconstruction Finance Corporation has heretofore refused to
96 finance, if the board of supervisors of said county concurs in the
97 application of the drainage district. The Governor, upon
98 application by the board of supervisors for any taxing districts
99 of said county or sinking funds of said county under the control
100 and supervision of said board of supervisors having obligations
101 outstanding and due to said county under the provisions of Chapter
102 88, Laws of 1928, and Chapter 16, Laws of the Extraordinary
103 Session of 1931, may settle and compromise any claim, debt, or
104 obligation that said taxing districts or sinking funds may owe



105 said county for money loaned said taxing districts or sinking
106 funds under the provisions of said Chapter 88, Laws of 1928; and
107 provided that the Governor, on the advice of the Attorney General,
108 and upon application of a church owing a sixteenth section
109 township school fund loan, may settle and compromise such debt or
110 obligation if the board of supervisors of the said county concurs
111 in the application of the said church. The Governor may, on the
112 advice of the Attorney General, in like manner compromise and
113 settle a claim of a drainage district for unpaid assessments or
114 taxes upon sixteenth section lands upon application of the board
115 of supervisors wherein such sixteenth section is situated, if the
116 commissioners of the drainage district concur therein.

117 (2) The Commissioner of Revenue and the Department of
118 Revenue may discuss with and provide the Governor or his
119 designated representative with information related to an offer to
120 compromise and settle any doubtful claim under Section 1 of this
121 act. Such discussions shall be subject to the confidentiality
122 requirements of Sections 27-3-73, 27-7-83, 27-13-57 and/or
123 27-65-81, as the case may be.

124 **SECTION 4.** Section 27-3-73, Mississippi Code of 1972, is
125 amended as follows:

126 27-3-73. (1) Except in accordance with proper judicial
127 order or as otherwise provided in this section or as authorized in
128 Section 27-4-3, it shall be unlawful for the Commissioner of
129 Revenue, or any deputy, agent, clerk or other officer or employee



130 of the Department of Revenue, to divulge or make known in any
131 manner the amount of income or any particulars set forth or
132 disclosed in any report or return required on any taxes collected
133 by reports received by the Department of Revenue. This provision
134 relates to all taxes collected by the Department of Revenue and
135 not referred to in Sections 27-7-83, 27-13-57 and 27-65-81,
136 requiring confidentiality of income tax, franchise tax and sales
137 tax returns. All system edits, thresholds, and any other
138 automated system calculations used by the Department of Revenue in
139 the processing of returns or statistics or used to determine the
140 correct tax due for all taxes administered by the department shall
141 be considered confidential information and may not be divulged or
142 made known. Nothing in this section shall be construed to
143 prohibit the publication of statistics, so classified as to
144 prevent the identification of particular reports or returns and
145 the items thereof, or the inspection by the Attorney General, or
146 any other attorney representing the state, of the report or return
147 of any taxpayer who shall bring action to set aside the tax
148 thereon, or against whom an action or proceeding has been
149 instituted to recover any tax or penalty imposed. Additionally,
150 nothing in this section shall prohibit the Commissioner of Revenue
151 from making available information necessary to recover taxes owing
152 the state pursuant to the authority granted in Section 27-75-16.

153 The term "proper judicial order" as used in this section
154 shall not include subpoenas or subpoenas duces tecum but shall



155 include only those orders entered by a court of record in this
156 state after furnishing notice and a hearing to the taxpayer and
157 the Department of Revenue. The court shall not authorize the
158 furnishing of such information unless it is satisfied that the
159 information is needed to pursue pending litigation wherein the
160 return itself is in issue, or the judge is satisfied that the need
161 for furnishing the information outweighs the rights of the
162 taxpayer to have such information secreted.

163 However, information relating to possible tax liability to
164 other states or the federal government may be furnished to the
165 revenue departments of those states or the federal government when
166 the states or federal government grant a like comity to
167 Mississippi.

168 (2) The State Auditor and the employees of his office shall
169 have the right to examine only such tax returns as are necessary
170 for auditing the Department of Revenue, and the same prohibitions
171 against disclosure which apply to the Department of Revenue shall
172 apply to the State Auditor and his office.

173 (3) Officers and employees of the Mississippi Development
174 Authority who execute a confidentiality agreement with the
175 Department of Revenue shall be authorized to discuss and examine
176 information to which this section applies at the offices of the
177 Mississippi Department of Revenue. This disclosure is limited to
178 information necessary to properly administer the programs under
179 the jurisdiction of the Mississippi Development Authority. The



180 Department of Revenue is authorized to disclose to officers and
181 employees of the Mississippi Development Authority who execute a
182 confidentiality agreement the information necessary under the
183 circumstances. The same prohibitions against disclosure which
184 apply to the Department of Revenue shall apply to the officers or
185 employees of the Mississippi Development Authority.

186 (4) Information required by the University Research Center
187 to prepare the analyses required by Sections 57-13-101 through
188 57-13-109 shall be furnished to the University Research Center
189 upon request. It shall be unlawful for any officer or employee of
190 the University Research Center to divulge or make known in any
191 manner the amount of income or any particulars set forth or
192 disclosed in any information received by the center from the
193 Department of Revenue other than as may be required by Sections
194 57-13-101 through 57-13-109 in an analysis prepared pursuant to
195 Sections 57-13-101 through 57-13-109.

196 (5) Information required by the Mississippi Development
197 Authority to prepare the reports required by Section 57-1-12.2
198 shall be furnished to the Mississippi Development Authority upon
199 request. It shall be unlawful for any officer or employee of the
200 Mississippi Development Authority to divulge or make known in any
201 manner the amount of income or any particulars set forth or
202 disclosed in any information received by the Mississippi
203 Development Authority from the Department of Revenue other than as



204 may be required by Section 57-1-12.2 in a report prepared pursuant
205 to Section 57-1-12.2.

206 (6) Information necessary to comply with Chapter 13, Title
207 85, may be furnished to financial institutions. It shall be
208 unlawful for any officer or employee of the financial institution
209 to divulge or make known in any manner the amount of income or any
210 particulars set forth or disclosed in any information received by
211 the financial institution from the Department of Revenue other
212 than as may be authorized by Chapter 13, Title 85.

213 (7) The Commissioner of Revenue and the Department of
214 Revenue are authorized to discuss with and provide the Governor or
215 his designated representative with information related to an offer
216 to compromise and settle any doubtful claim regarding a finally
217 determined tax liability as authorized by this act. It shall be
218 unlawful for the Governor or any officer or employee of the
219 Governor to divulge or make known in any manner the amount of
220 income or any particulars set forth or disclosed in any
221 information received by the Governor's office from the
222 Commissioner of Revenue or Department of Revenue other than as may
223 be required by this act.

224 (* * *8) Any person who violates the provisions of this
225 section shall be guilty of a misdemeanor and, on conviction
226 thereof, shall be fined not more than One Thousand Dollars
227 (\$1,000.00) or imprisoned not more than six (6) months in the
228 county jail, or both.



229 (* * *9) The Commissioner of Revenue and the Department of
230 Revenue are authorized to disclose to the Child Support Unit and
231 to the Fraud Investigation Unit of the Department of Human
232 Services without the need for a subpoena or proper judicial order
233 the name, address, social security number, amount of income,
234 amount of sales tax, source of income, assets and other relevant
235 information, records and tax forms for individuals who are
236 delinquent in the payment of any child support as defined in
237 Section 93-11-101 or who are under investigation for fraud or
238 abuse of any state or federal program or statute as provided in
239 Section 43-1-23.

240 **SECTION 5.** Section 27-7-83, Mississippi Code of 1972, is
241 amended as follows:

242 27-7-83. (1) Returns and return information filed or
243 furnished under the provisions of this chapter shall be
244 confidential, and except in accordance with proper judicial order,
245 as otherwise authorized by this section, as authorized in Section
246 27-4-3 or as authorized under Section 27-7-821, it shall be
247 unlawful for the Commissioner of Revenue or any deputy, agent,
248 clerk or other officer or employee of the Department of Revenue or
249 the Mississippi Department of Information Technology Services, or
250 any former employee thereof, to divulge or make known in any
251 manner the amount of income or any particulars set forth or
252 disclosed in any report or return required. The provisions of
253 this section shall apply fully to any federal return, a copy of



254 any portion of a federal return, or any information reflected on a
255 federal return which is attached to or made a part of the state
256 tax return. Likewise, the provisions of this section shall apply
257 to any federal return or portion thereof, or to any federal return
258 information data which is acquired from the Internal Revenue
259 Service for state tax administration purposes pursuant to the
260 Federal-State Exchange Program cited at Section 6103, Federal
261 Internal Revenue Code. The term "proper judicial order" as used
262 in this section shall not include subpoenas or subpoenas duces
263 tecum, but shall include only those orders entered by a court of
264 record in this state after furnishing notice and a hearing to the
265 taxpayer and the Department of Revenue. The court shall not
266 authorize the furnishing of such information unless it is
267 satisfied that the information is needed to pursue pending
268 litigation wherein the return itself is in issue, or the judge is
269 satisfied that the need for furnishing the information outweighs
270 the rights of the taxpayer to have such information secreted.

271 (2) Returns and return information with respect to taxes
272 imposed by this chapter shall be open to inspection by or
273 disclosure to the Commissioner of the Internal Revenue Service of
274 the United States, or the proper officer of any state imposing an
275 income tax similar to that imposed by this chapter, or the
276 authorized representatives of such agencies. Such inspection
277 shall be permitted, or such disclosure made, only upon written
278 request by the head of such agencies, or the district director in



279 the case of the Internal Revenue Service, and only to the
280 representatives of such agencies designated in a written statement
281 to the Commissioner of Revenue as the individuals who are to
282 inspect or to receive the return or return information on behalf
283 of such agency. The Commissioner of Revenue is authorized to
284 enter into agreements with the Internal Revenue Service and with
285 other states for the exchange of returns and return information
286 data, or the disclosure of returns or return information data to
287 such agencies, only to the extent that the statutes of the United
288 States or of such other state, as the case may be, grant
289 substantially similar privileges to the proper officer of this
290 state charged with the administration of the tax laws of this
291 state.

292 (3) (a) The return of a person shall, upon written request,
293 be open to inspection by or disclosure to:

294 (i) In the case of the return of an individual,
295 that individual;

296 (ii) In the case of an income tax return filed
297 jointly, either of the individuals with respect to whom the return
298 is filed;

299 (iii) In the case of the return of a partnership,
300 any person who was a member of such partnership during any part of
301 the period covered by the return;

302 (iv) In the case of the return of a corporation or
303 a subsidiary thereof, any person designated by resolution of its



304 board of directors or other similar governing body, or any officer
305 or employee of such corporation upon written request signed by any
306 principal officer and attested to by the secretary or other
307 officer;

308 (v) In the case of the return of an estate, the
309 administrator, executor or trustee of such estate, and any heir at
310 law, next of kin or beneficiary under the will, of the decedent,
311 but only to the extent that such latter persons have a material
312 interest which will be affected by information contained therein;

313 (vi) In the case of the return of a trust, the
314 trustee or trustees, jointly or separately, and any beneficiary of
315 such trust, but only to the extent that such beneficiary has a
316 material interest which will be affected by information contained
317 therein;

318 (vii) In the case of the return of an individual
319 or a return filed jointly, any claimant agency or claimant local
320 government seeking to collect a debt through the setoff procedure
321 established in Sections 27-7-701 through 27-7-713, Sections
322 27-7-501 through 27-7-519 and/or Sections 27-7-801 through
323 27-7-823, as the case may be, from an individual with respect to
324 whom the return is filed.

325 (b) If an individual described in paragraph (a) is
326 legally incompetent, the applicable return shall, upon written
327 request, be open to inspection by or disclosure to the committee,
328 trustee or guardian of his estate.



329 (c) If substantially all of the property of the person
330 with respect to whom the return is filed is in the hands of a
331 trustee in bankruptcy or receiver, such return or returns for
332 prior years of such person shall, upon written request, be open to
333 inspection by or disclosure to such trustee or receiver, but only
334 if the Commissioner of Revenue finds that such receiver or
335 trustee, in his fiduciary capacity, has a material interest which
336 will be affected by information contained therein.

337 (d) Any return to which this section applies shall,
338 upon written request, also be open to inspection by or disclosure
339 to the attorney-in-fact duly authorized in writing by any of the
340 persons described in paragraph (a) of this subsection to inspect
341 the return or receive the information on his behalf, subject to
342 the conditions provided in paragraph (a).

343 (e) Return information with respect to any taxpayer may
344 be open to inspection by or disclosure to any person authorized by
345 this subsection to inspect any return of such taxpayer if the
346 Commissioner of Revenue determines that such disclosure would not
347 seriously impair state tax administration.

348 (4) The State Auditor and the employees of his office shall
349 have the right to examine only such tax returns as are necessary
350 for auditing the Department of Revenue and auditing benefits
351 administered under the United States Department of Health and
352 Human Services and the United States Department of Agriculture.
353 The State Auditor and the employees of his office may make



354 information related to auditing such benefits available to and may
355 exchange the information with state agencies responsible for the
356 administration of the benefits. Except as otherwise provided in
357 this subsection (4), the same prohibitions against disclosure
358 which apply to the Department of Revenue shall apply to the State
359 Auditor and his employees or former employees.

360 (5) Officers and employees of the Mississippi Development
361 Authority who execute a confidentiality agreement with the
362 Department of Revenue shall be authorized to discuss and examine
363 information to which this section applies at the offices of the
364 Mississippi Department of Revenue. This disclosure is limited to
365 information necessary to properly administer the programs under
366 the jurisdiction of the Mississippi Development Authority. The
367 Department of Revenue is authorized to disclose to officers and
368 employees of the Mississippi Development Authority who execute a
369 confidentiality agreement the information necessary under the
370 circumstances. The same prohibitions against disclosure which
371 apply to the Department of Revenue shall apply to the officers or
372 employees of the Mississippi Development Authority.

373 (6) Information required by the University Research Center
374 to prepare the analyses required by Sections 57-13-101 through
375 57-13-109 shall be furnished to the University Research Center
376 upon request. It shall be unlawful for any officer or employee of
377 the University Research Center to divulge or make known in any
378 manner the amount of income or any particulars set forth or



379 disclosed in any information received by the center from the
380 Department of Revenue other than as may be required by Sections
381 57-13-101 through 57-13-109 in an analysis prepared pursuant to
382 Sections 57-13-101 through 57-13-109.

383 (7) Information required by the Mississippi Development
384 Authority to prepare the reports required by Section 57-1-12.2
385 shall be furnished to the Mississippi Development Authority upon
386 request. It shall be unlawful for any officer or employee of the
387 Mississippi Development Authority to divulge or make known in any
388 manner the amount of income or any particulars set forth or
389 disclosed in any information received by the Mississippi
390 Development Authority from the Department of Revenue other than as
391 may be required by Section 57-1-12.2 in a report prepared pursuant
392 to Section 57-1-12.2.

393 (8) Information necessary to comply with Chapter 13, Title
394 85, may be furnished to financial institutions. It shall be
395 unlawful for any officer or employee of the financial institution
396 to divulge or make known in any manner the amount of income or any
397 particulars set forth or disclosed in any information received by
398 the financial institution from the Department of Revenue other
399 than as may be authorized by Chapter 13, Title 85.

400 (9) The Commissioner of Revenue and the Department of
401 Revenue are authorized to discuss with and provide the Governor or
402 his designated representative with information related to an offer
403 to compromise and settle any doubtful claim regarding a finally



404 determined tax liability as authorized by this act. It shall be
405 unlawful for the Governor or any officer or employee of the
406 Governor to divulge or make known in any manner the amount of
407 income or any particulars set forth or disclosed in any
408 information received by the Governor's office from the
409 Commissioner of Revenue or Department of Revenue other than as may
410 be required by this act.

411 (* * * 10) Nothing in this section shall be construed to
412 prohibit the publication of statistics, so classified as to
413 prevent the identification of particular reports or returns and
414 the items thereof, or the inspection by the Attorney General, or
415 any other attorney representing the state, of the report or return
416 of any taxpayer who shall bring action to set aside the tax
417 thereon, or against whom any action or proceeding has been
418 instituted to recover any tax or penalty imposed.

419 (* * * 11) Nothing in this section shall prohibit the
420 commissioner from making available information necessary to
421 recover taxes owing the state pursuant to the authority granted in
422 Section 27-75-16.

423 (* * * 12) Reports and returns required under the provisions
424 of this chapter shall be preserved in accordance with approved
425 records control schedules. No records, however, may be destroyed
426 without the approval of the Director of the Department of Archives
427 and History.



428 (* * * 13) The Department of Revenue is authorized to
429 disclose to the Child Support Unit and to the Fraud Investigation
430 Unit of the Department of Human Services without the need for a
431 subpoena or proper judicial order the name, address, social
432 security number, amount of income, source of income, assets and
433 other relevant information, records and tax forms for individuals
434 who are delinquent in the payment of any child support as defined
435 in Section 93-11-101 or who are under investigation for fraud or
436 abuse of any state or federal program or statute as provided in
437 Section 43-1-23.

438 (* * * 14) Nothing in this section shall prohibit the
439 Department of Revenue from exchanging information with the federal
440 government that is necessary to offset income tax refund payment
441 on debts owed to this state or the United States.

442 (* * * 15) Nothing in this section shall prohibit the
443 department from making available information that is necessary to
444 be disclosed for the administration and enforcement of Section
445 27-7-87.

446 **SECTION 6.** Section 27-13-57, Mississippi Code of 1972, is
447 amended as follows:

448 27-13-57. (1) Except in accordance with the proper judicial
449 order, or as otherwise provided in this section or as authorized
450 in Section 27-4-3, it shall be unlawful for the Commissioner of
451 Revenue or any deputy, agent, clerk or other officer or employee
452 of the Department of Revenue to divulge or make known in any



453 manner any particulars set forth or disclosed in any report or
454 return required under this chapter. When a combined report or
455 return is filed as authorized by Section 27-13-17(5), each report
456 or return which composes the combined return shall be considered
457 separate for the purpose of any examinations authorized in this
458 section and only particulars relating to the specific return or
459 report set forth in the judicial order or as otherwise provided
460 shall be considered lawfully divulged. The term "proper judicial
461 order" as used in this section shall not include subpoenas or
462 subpoenas duces tecum, but shall include only those orders entered
463 by a court of record in this state after furnishing notice and a
464 hearing to the taxpayer and the Department of Revenue. The court
465 shall not authorize the furnishing of such information unless it
466 is satisfied that the information is needed to pursue pending
467 litigation wherein the return itself is in issue, or the judge is
468 satisfied that the need for furnishing the information outweighs
469 the rights of the taxpayer to have such information secreted.
470 Nothing in this section shall be construed to prohibit the
471 publication of statistics, so classified as to prevent the
472 identification of particular reports or returns and the items
473 thereof, or the inspection by the Attorney General or any other
474 attorney representing the state of the report or return of any
475 taxpayer who shall bring action to set aside or review the tax
476 based thereon, or against whom an action or proceeding has been
477 instituted to recover any tax or penalty imposed by this chapter.



478 Reports and returns shall be preserved in accordance with approved
479 records control schedules. No records, however, may be destroyed
480 without the approval of the Director of the Department of Archives
481 and History.

482 However, information relating to possible tax liability of
483 other states or the federal government may be furnished to the
484 revenue department of those states or the federal government when
485 those states or the federal government grant a like comity to
486 Mississippi.

487 (2) The State Auditor and the employees of his office shall
488 have the right to examine only such tax returns as are necessary
489 for auditing the Department of Revenue, and the same prohibitions
490 against disclosure which apply to the Department of Revenue shall
491 apply to the State Auditor and his office.

492 (3) Officers and employees of the Mississippi Development
493 Authority who execute a confidentiality agreement with the
494 Department of Revenue shall be authorized to discuss and examine
495 information to which this section applies at the offices of the
496 Mississippi Department of Revenue. This disclosure is limited to
497 information necessary to properly administer the programs under
498 the jurisdiction of the Mississippi Development Authority. The
499 Department of Revenue is authorized to disclose to officers and
500 employees of the Mississippi Development Authority who execute a
501 confidentiality agreement the information necessary under the
502 circumstances. The same prohibitions against disclosure which



503 apply to the Department of Revenue shall apply to the officers or
504 employees of the Mississippi Development Authority.

505 (4) Information required by the University Research Center
506 to prepare the analyses required by Sections 57-13-101 through
507 57-13-109 shall be furnished to the University Research Center
508 upon request. It shall be unlawful for any officer or employee of
509 the University Research Center to divulge or make known in any
510 manner any particulars set forth or disclosed in any information
511 received by the center from the Department of Revenue other than
512 as may be required by Sections 57-13-101 through 57-13-109 in an
513 analysis prepared pursuant to Sections 57-13-101 through
514 57-13-109.

515 (5) Information required by the Mississippi Development
516 Authority to prepare the reports required by Section 57-1-12.2
517 shall be furnished to the Mississippi Development Authority upon
518 request. It shall be unlawful for any officer or employee of the
519 Mississippi Development Authority to divulge or make known in any
520 manner the amount of income or any particulars set forth or
521 disclosed in any information received by the Mississippi
522 Development Authority from the Department of Revenue other than as
523 may be required by Section 57-1-12.2 in a report prepared pursuant
524 to Section 57-1-12.2.

525 (6) Information necessary to comply with Chapter 13, Title
526 85 may be furnished to financial institutions. It shall be
527 unlawful for any officer or employee of the financial institution



528 to divulge or make known in any manner the amount of income or any
529 particulars set forth or disclosed in any information received by
530 the financial institution from the Department of Revenue other
531 than as may be authorized by Chapter 13, Title 85.

532 (7) The Commissioner of Revenue and the Department of
533 Revenue are authorized to discuss with and provide the Governor or
534 his designated representative with information related to an offer
535 to compromise and settle any doubtful claim regarding a finally
536 determined tax liability as authorized by this act. It shall be
537 unlawful for the Governor or any officer or employee of the
538 Governor to divulge or make known in any manner the amount of
539 income or any particulars set forth or disclosed in any
540 information received by the Governor's office from the
541 Commissioner of Revenue or Department of Revenue other than as may
542 be required by this act.

543 (* * *8) Nothing in this section shall prohibit the
544 Commissioner of Revenue from making available information
545 necessary to recover taxes owing the state pursuant to the
546 authority granted in Section 27-75-16, Mississippi Code of 1972.

547 (* * *9) Any person violating the provisions of this
548 section shall be guilty of a misdemeanor and, on conviction, shall
549 be punished by a fine of not exceeding Five Hundred Dollars
550 (\$500.00), or by imprisonment not exceeding one (1) year, or both,
551 at the discretion of the court, and if the offender be an officer
552 or employee of the state he shall be dismissed from office and be



553 incapable of holding any public office in this state for a period
554 of five (5) years thereafter.

555 **SECTION 7.** Section 27-65-81, Mississippi Code of 1972, is
556 amended as follows:

557 27-65-81. (1) Applications, returns and information
558 contained therein filed or furnished under this chapter shall be
559 confidential, and except in accordance with proper judicial order,
560 or as otherwise authorized by this section or as authorized by
561 Section 27-4-3, it shall be unlawful for the Commissioner of
562 Revenue or any deputy, agent, clerk or other officer or employee
563 of the Department of Revenue or Department of Information
564 Technology Services, or any former employee thereof, to divulge or
565 make known in any manner the amount of income or any particulars
566 set forth or disclosed on any application, report or return
567 required.

568 The term "proper judicial order" as used in this section
569 shall not include subpoenas or subpoenas duces tecum but shall
570 include only those orders entered by a court of record in this
571 state after furnishing notice and a hearing to the taxpayer and
572 the Department of Revenue. The court shall not authorize the
573 furnishing of such information unless it is satisfied that the
574 information is needed to pursue pending litigation wherein the
575 return itself is in issue, or the judge is satisfied that the need
576 for furnishing the information outweighs the rights of the
577 taxpayer to have such information secreted.



578 (2) Such information contained on the application, returns
579 or reports may be furnished to:

580 (a) Members and employees of the Department of Revenue
581 and the income tax department thereof, for the purpose of
582 checking, comparing and correcting returns;

583 (b) The Attorney General, or any other attorney
584 representing the state in any action in respect to the amount of
585 tax under the provisions of this chapter;

586 (c) The revenue department of other states or the
587 federal government when said states or federal government grants a
588 like comity to Mississippi.

589 (3) The State Auditor and the employees of his office shall
590 have the right to examine only such tax returns as are necessary
591 for auditing the Department of Revenue, and the same prohibitions
592 against disclosure which apply to the Department of Revenue shall
593 apply to the State Auditor and his office.

594 (4) Officers and employees of the Mississippi Development
595 Authority who execute a confidentiality agreement with the
596 Department of Revenue shall be authorized to discuss and examine
597 information to which this section applies at the offices of the
598 Mississippi Department of Revenue. This disclosure is limited to
599 information necessary to properly administer the programs under
600 the jurisdiction of the Mississippi Development Authority. The
601 Department of Revenue is authorized to disclose to officers and
602 employees of the Mississippi Development Authority who execute a



603 confidentiality agreement the information necessary under the
604 circumstances. The same prohibitions against disclosure which
605 apply to the Department of Revenue shall apply to the officers or
606 employees of the Mississippi Development Authority.

607 (5) Information required by the University Research Center
608 to prepare the analyses required by Sections 57-13-101 through
609 57-13-109 shall be furnished to the University Research Center
610 upon request. It shall be unlawful for any officer or employee of
611 the University Research Center to divulge or make known in any
612 manner the amount of income or any particulars set forth or
613 disclosed in any information received by the center from the
614 Department of Revenue other than as may be required by Sections
615 57-13-101 through 57-13-109 in an analysis prepared pursuant to
616 Sections 57-13-101 through 57-13-109.

617 (6) Information required by the Mississippi Development
618 Authority to prepare the reports required by Section 57-1-12.2
619 shall be furnished to the Mississippi Development Authority upon
620 request. It shall be unlawful for any officer or employee of the
621 Mississippi Development Authority to divulge or make known in any
622 manner the amount of income or any particulars set forth or
623 disclosed in any information received by the Mississippi
624 Development Authority from the Department of Revenue other than as
625 may be required by Section 57-1-12.2 in a report prepared pursuant
626 to Section 57-1-12.2.



627 (7) Information necessary to comply with Chapter 13, Title
628 85, may be furnished to financial institutions. It shall be
629 unlawful for any officer or employee of the financial institution
630 to divulge or make known in any manner the amount of income or any
631 particulars set forth or disclosed in any information received by
632 the financial institution from the Department of Revenue other
633 than as may be authorized by Chapter 13, Title 85.

634 (8) The Commissioner of Revenue and the Department of
635 Revenue are authorized to discuss with and provide the Governor or
636 his designated representative with information related to an offer
637 to compromise and settle any doubtful claim regarding a finally
638 determined tax liability as authorized by this act. It shall be
639 unlawful for the Governor or any officer or employee of the
640 Governor to divulge or make known in any manner the amount of
641 income or any particulars set forth or disclosed in any
642 information received by the Governor's office from the
643 Commissioner of Revenue or Department of Revenue other than as may
644 be required by this act.

645 (* * *9) Nothing in this section shall prohibit the
646 Commissioner of Revenue from making available information
647 necessary to recover taxes owing the state pursuant to the
648 authority granted in Section 27-75-16.

649 (* * *10) The Department of Revenue is authorized to
650 disclose to the Child Support Unit and to the Fraud Investigation
651 Unit of the Department of Human Services without the need for a



652 subpoena or proper judicial order the name, address, social
653 security number, amount of income, amount of sales tax, source of
654 income, assets and other relevant information, records and tax
655 forms for individuals who are delinquent in the payment of any
656 child support as defined in Section 93-11-101 or who are under
657 investigation for fraud or abuse of any state or federal program
658 or statute as provided in Section 43-1-23.

659 **SECTION 8.** This act shall take effect and be in force from
660 and after July 1, 2021.

