

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1095
(As Sent to Governor)

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

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

27 **SECTION 1.** (1) The Commissioner of Revenue shall develop
28 procedures for the receipt and consideration of offers to
29 compromise and settle doubtful claims as defined in Section



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

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

47 (3) The Commissioner of Revenue and the Department of
48 Revenue may discuss with and provide the Attorney General or his
49 designated representative with information related to an offer to
50 compromise and settle any doubtful claim under this section. Such
51 discussions shall be subject to the confidentiality requirements
52 of Sections 27-3-73, 27-7-83, 27-13-57 and/or 27-65-81, as the
53 case may be.



54 (4) The Commissioner of Revenue shall have all powers
55 necessary to implement and administer this section, and shall
56 promulgate rules and regulations, in accordance with the
57 Mississippi Administrative Procedures Law, necessary for the
58 implementation of this section.

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

61 31-19-27. (1) A doubtful claim of the state, or of the
62 county, city, town, village, or levee board is one for which
63 judgment has been rendered and for the collection of which the
64 ordinary process of law has been ineffectual; debts due by
65 drainage districts or other taxing districts or sinking funds to
66 counties under the Rehabilitation Act of 1928, being Chapter
67 88 * * *, Laws of 1928, and Chapter 16 of the Acts of the Special
68 Session of 1931; those debts due counties by drainage districts,
69 which the Reconstruction Finance Corporation has heretofore
70 refused to refinance; debts due for sixteenth section township
71 school fund loans made to churches, where the board of supervisors
72 finds that the value of the security given therefor is
73 insufficient or inadequate to pay or satisfy the principal and
74 interest of said loan, and when the church repays the principal of
75 said loan; and debts due by counties and townships to drainage
76 districts for drainage district assessments or taxes levied and
77 assessed upon sixteenth section lands.



78 (2) For the purposes of Section 1 of this act, a doubtful
79 claim is one for which a notice of tax lien has been enrolled in
80 the Uniform State Tax Lien registry for a finally determined tax
81 liability and for the collection of which the ordinary process of
82 law has been ineffectual.

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

85 31-19-29. The Governor, on the advice of the Attorney
86 General or * * * Commissioner of Revenue of the * * * Department
87 of Revenue, may, upon application of the defendant or debtor
88 proposing a compromise, settle and compromise any doubtful claim,
89 as described in Section 31-19-27(1), of the state, or of any
90 county, city, town, or village, or of any levee board against such
91 defendant or debtor, upon such terms as he may deem proper, the
92 board of supervisors in the case of a county, and the municipal
93 authorities in the case of a city, town or village, and the levee
94 board in the case of a claim of a levee board, concurring therein.
95 The Governor, upon application of a drainage district having
96 obligations outstanding to a county under the provisions of
97 Chapter 88, Laws of 1928, and Chapter 16, Laws of the
98 Extraordinary Session of 1931, or obligations which the
99 Reconstruction Finance Corporation has heretofore refused to
100 refinance, may settle and compromise any claim, debt or obligation
101 that said drainage district may owe any county in the State of
102 Mississippi for money loaned said district under the provisions of



103 said Chapter 88, Laws of 1928, or any other claim, debt or
104 obligation that said drainage district may owe the county which
105 the Reconstruction Finance Corporation has heretofore refused to
106 finance, if the board of supervisors of said county concurs in the
107 application of the drainage district. The Governor, upon
108 application by the board of supervisors for any taxing districts
109 of said county or sinking funds of said county under the control
110 and supervision of said board of supervisors having obligations
111 outstanding and due to said county under the provisions of Chapter
112 88, Laws of 1928, and Chapter 16, Laws of the Extraordinary
113 Session of 1931, may settle and compromise any claim, debt, or
114 obligation that said taxing districts or sinking funds may owe
115 said county for money loaned said taxing districts or sinking
116 funds under the provisions of said Chapter 88, Laws of 1928; and
117 provided that the Governor, on the advice of the Attorney General,
118 and upon application of a church owing a sixteenth section
119 township school fund loan, may settle and compromise such debt or
120 obligation if the board of supervisors of the said county concurs
121 in the application of the said church. The Governor may, on the
122 advice of the Attorney General, in like manner compromise and
123 settle a claim of a drainage district for unpaid assessments or
124 taxes upon sixteenth section lands upon application of the board
125 of supervisors wherein such sixteenth section is situated, if the
126 commissioners of the drainage district concur therein.



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

129 27-3-73. (1) Except in accordance with proper judicial
130 order or as otherwise provided in this section or as authorized in
131 Section 27-4-3, it shall be unlawful for the Commissioner of
132 Revenue, or any deputy, agent, clerk or other officer or employee
133 of the Department of Revenue, to divulge or make known in any
134 manner the amount of income or any particulars set forth or
135 disclosed in any report or return required on any taxes collected
136 by reports received by the Department of Revenue. This provision
137 relates to all taxes collected by the Department of Revenue and
138 not referred to in Sections 27-7-83, 27-13-57 and 27-65-81,
139 requiring confidentiality of income tax, franchise tax and sales
140 tax returns. All system edits, thresholds, and any other
141 automated system calculations used by the Department of Revenue in
142 the processing of returns or statistics or used to determine the
143 correct tax due for all taxes administered by the department shall
144 be considered confidential information and may not be divulged or
145 made known. Nothing in this section shall be construed to
146 prohibit the publication of statistics, so classified as to
147 prevent the identification of particular reports or returns and
148 the items thereof, or the inspection by the Attorney General, or
149 any other attorney representing the state, of the report or return
150 of any taxpayer who shall bring action to set aside the tax
151 thereon, or against whom an action or proceeding has been



152 instituted to recover any tax or penalty imposed. Additionally,
153 nothing in this section shall prohibit the Commissioner of Revenue
154 from making available information necessary to recover taxes owing
155 the state pursuant to the authority granted in Section 27-75-16.

156 The term "proper judicial order" as used in this section
157 shall not include subpoenas or subpoenas duces tecum but shall
158 include only those orders entered by a court of record in this
159 state after furnishing notice and a hearing to the taxpayer and
160 the Department of Revenue. The court shall not authorize the
161 furnishing of such information unless it is satisfied that the
162 information is needed to pursue pending litigation wherein the
163 return itself is in issue, or the judge is satisfied that the need
164 for furnishing the information outweighs the rights of the
165 taxpayer to have such information secreted.

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

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



176 (3) Officers and employees of the Mississippi Development
177 Authority who execute a confidentiality agreement with the
178 Department of Revenue shall be authorized to discuss and examine
179 information to which this section applies at the offices of the
180 Mississippi Department of Revenue. This disclosure is limited to
181 information necessary to properly administer the programs under
182 the jurisdiction of the Mississippi Development Authority. The
183 Department of Revenue is authorized to disclose to officers and
184 employees of the Mississippi Development Authority who execute a
185 confidentiality agreement the information necessary under the
186 circumstances. The same prohibitions against disclosure which
187 apply to the Department of Revenue shall apply to the officers or
188 employees of the Mississippi Development Authority.

189 (4) Information required by the University Research Center
190 to prepare the analyses required by Sections 57-13-101 through
191 57-13-109 shall be furnished to the University Research Center
192 upon request. It shall be unlawful for any officer or employee of
193 the University Research Center to divulge or make known in any
194 manner the amount of income or any particulars set forth or
195 disclosed in any information received by the center from the
196 Department of Revenue other than as may be required by Sections
197 57-13-101 through 57-13-109 in an analysis prepared pursuant to
198 Sections 57-13-101 through 57-13-109.

199 (5) Information required by the Mississippi Development
200 Authority to prepare the reports required by Section 57-1-12.2



201 shall be furnished to the Mississippi Development Authority upon
202 request. It shall be unlawful for any officer or employee of the
203 Mississippi Development Authority to divulge or make known in any
204 manner the amount of income or any particulars set forth or
205 disclosed in any information received by the Mississippi
206 Development Authority from the Department of Revenue other than as
207 may be required by Section 57-1-12.2 in a report prepared pursuant
208 to Section 57-1-12.2.

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

216 (7) The Commissioner of Revenue and the Department of
217 Revenue are authorized to discuss with and provide the Attorney
218 General or his designated representative with information related
219 to an offer to compromise and settle any doubtful claim regarding
220 a finally determined tax liability as authorized by Section 1 of
221 this act. It shall be unlawful for the Attorney General or any
222 officer or employee of the Attorney General to divulge or make
223 known in any manner the amount of income or any particulars set
224 forth or disclosed in any information received by the Attorney



225 General's office from the Commissioner of Revenue or Department of
226 Revenue other than as may be required by Section 1 of this act.

227 (* * *8) Any person who violates the provisions of this
228 section shall be guilty of a misdemeanor and, on conviction
229 thereof, shall be fined not more than One Thousand Dollars
230 (\$1,000.00) or imprisoned not more than six (6) months in the
231 county jail, or both.

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

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

245 27-7-83. (1) Returns and return information filed or
246 furnished under the provisions of this chapter shall be
247 confidential, and except in accordance with proper judicial order,
248 as otherwise authorized by this section, as authorized in Section
249 27-4-3 or as authorized under Section 27-7-821, it shall be



250 unlawful for the Commissioner of Revenue or any deputy, agent,
251 clerk or other officer or employee of the Department of Revenue or
252 the Mississippi Department of Information Technology Services, or
253 any former employee thereof, to divulge or make known in any
254 manner the amount of income or any particulars set forth or
255 disclosed in any report or return required. The provisions of
256 this section shall apply fully to any federal return, a copy of
257 any portion of a federal return, or any information reflected on a
258 federal return which is attached to or made a part of the state
259 tax return. Likewise, the provisions of this section shall apply
260 to any federal return or portion thereof, or to any federal return
261 information data which is acquired from the Internal Revenue
262 Service for state tax administration purposes pursuant to the
263 Federal-State Exchange Program cited at Section 6103, Federal
264 Internal Revenue Code. The term "proper judicial order" as used
265 in this section shall not include subpoenas or subpoenas duces
266 tecum, but shall include only those orders entered by a court of
267 record in this state after furnishing notice and a hearing to the
268 taxpayer and the Department of Revenue. The court shall not
269 authorize the furnishing of such information unless it is
270 satisfied that the information is needed to pursue pending
271 litigation wherein the return itself is in issue, or the judge is
272 satisfied that the need for furnishing the information outweighs
273 the rights of the taxpayer to have such information secreted.



274 (2) Returns and return information with respect to taxes
275 imposed by this chapter shall be open to inspection by or
276 disclosure to the Commissioner of the Internal Revenue Service of
277 the United States, or the proper officer of any state imposing an
278 income tax similar to that imposed by this chapter, or the
279 authorized representatives of such agencies. Such inspection
280 shall be permitted, or such disclosure made, only upon written
281 request by the head of such agencies, or the district director in
282 the case of the Internal Revenue Service, and only to the
283 representatives of such agencies designated in a written statement
284 to the Commissioner of Revenue as the individuals who are to
285 inspect or to receive the return or return information on behalf
286 of such agency. The Commissioner of Revenue is authorized to
287 enter into agreements with the Internal Revenue Service and with
288 other states for the exchange of returns and return information
289 data, or the disclosure of returns or return information data to
290 such agencies, only to the extent that the statutes of the United
291 States or of such other state, as the case may be, grant
292 substantially similar privileges to the proper officer of this
293 state charged with the administration of the tax laws of this
294 state.

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

297 (i) In the case of the return of an individual,
298 that individual;



299 (ii) In the case of an income tax return filed
300 jointly, either of the individuals with respect to whom the return
301 is filed;

302 (iii) In the case of the return of a partnership,
303 any person who was a member of such partnership during any part of
304 the period covered by the return;

305 (iv) In the case of the return of a corporation or
306 a subsidiary thereof, any person designated by resolution of its
307 board of directors or other similar governing body, or any officer
308 or employee of such corporation upon written request signed by any
309 principal officer and attested to by the secretary or other
310 officer;

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

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

321 (vii) In the case of the return of an individual
322 or a return filed jointly, any claimant agency or claimant local
323 government seeking to collect a debt through the setoff procedure



324 established in Sections 27-7-701 through 27-7-713, Sections
325 27-7-501 through 27-7-519 and/or Sections 27-7-801 through
326 27-7-823, as the case may be, from an individual with respect to
327 whom the return is filed.

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

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

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

346 (e) Return information with respect to any taxpayer may
347 be open to inspection by or disclosure to any person authorized by
348 this subsection to inspect any return of such taxpayer if the



349 Commissioner of Revenue determines that such disclosure would not
350 seriously impair state tax administration.

351 (4) The State Auditor and the employees of his office shall
352 have the right to examine only such tax returns as are necessary
353 for auditing the Department of Revenue and auditing benefits
354 administered under the United States Department of Health and
355 Human Services and the United States Department of Agriculture.
356 The State Auditor and the employees of his office may make
357 information related to auditing such benefits available to and may
358 exchange the information with state agencies responsible for the
359 administration of the benefits. Except as otherwise provided in
360 this subsection (4), the same prohibitions against disclosure
361 which apply to the Department of Revenue shall apply to the State
362 Auditor and his employees or former employees.

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



374 apply to the Department of Revenue shall apply to the officers or
375 employees of the Mississippi Development Authority.

376 (6) Information required by the University Research Center
377 to prepare the analyses required by Sections 57-13-101 through
378 57-13-109 shall be furnished to the University Research Center
379 upon request. It shall be unlawful for any officer or employee of
380 the University Research Center to divulge or make known in any
381 manner the amount of income or any particulars set forth or
382 disclosed in any information received by the center from the
383 Department of Revenue other than as may be required by Sections
384 57-13-101 through 57-13-109 in an analysis prepared pursuant to
385 Sections 57-13-101 through 57-13-109.

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

396 (8) Information necessary to comply with Chapter 13, Title
397 85, may be furnished to financial institutions. It shall be
398 unlawful for any officer or employee of the financial institution



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

403 (9) The Commissioner of Revenue and the Department of
404 Revenue are authorized to discuss with and provide the Attorney
405 General or his designated representative with information related
406 to an offer to compromise and settle any doubtful claim regarding
407 a finally determined tax liability as authorized by Section 1 of
408 this act. It shall be unlawful for the Attorney General or any
409 officer or employee of the Attorney General to divulge or make
410 known in any manner the amount of income or any particulars set
411 forth or disclosed in any information received by the Attorney
412 General's office from the Commissioner of Revenue or Department of
413 Revenue other than as may be required by Section 1 of this act.

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

422 (* * *11) Nothing in this section shall prohibit the
423 commissioner from making available information necessary to



424 recover taxes owing the state pursuant to the authority granted in
425 Section 27-75-16.

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

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

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

445 (* * *15) Nothing in this section shall prohibit the
446 department from making available information that is necessary to
447 be disclosed for the administration and enforcement of Section
448 27-7-87.



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

451 27-13-57. (1) Except in accordance with the proper judicial
452 order, or as otherwise provided in this section or as authorized
453 in Section 27-4-3, it shall be unlawful for the Commissioner of
454 Revenue or any deputy, agent, clerk or other officer or employee
455 of the Department of Revenue to divulge or make known in any
456 manner any particulars set forth or disclosed in any report or
457 return required under this chapter. When a combined report or
458 return is filed as authorized by Section 27-13-17(5), each report
459 or return which composes the combined return shall be considered
460 separate for the purpose of any examinations authorized in this
461 section and only particulars relating to the specific return or
462 report set forth in the judicial order or as otherwise provided
463 shall be considered lawfully divulged. The term "proper judicial
464 order" as used in this section shall not include subpoenas or
465 subpoenas duces tecum, but shall include only those orders entered
466 by a court of record in this state after furnishing notice and a
467 hearing to the taxpayer and the Department of Revenue. The court
468 shall not authorize the furnishing of such information unless it
469 is satisfied that the information is needed to pursue pending
470 litigation wherein the return itself is in issue, or the judge is
471 satisfied that the need for furnishing the information outweighs
472 the rights of the taxpayer to have such information secreted.
473 Nothing in this section shall be construed to prohibit the



474 publication of statistics, so classified as to prevent the
475 identification of particular reports or returns and the items
476 thereof, or the inspection by the Attorney General or any other
477 attorney representing the state of the report or return of any
478 taxpayer who shall bring action to set aside or review the tax
479 based thereon, or against whom an action or proceeding has been
480 instituted to recover any tax or penalty imposed by this chapter.
481 Reports and returns shall be preserved in accordance with approved
482 records control schedules. No records, however, may be destroyed
483 without the approval of the Director of the Department of Archives
484 and History.

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

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

495 (3) Officers and employees of the Mississippi Development
496 Authority who execute a confidentiality agreement with the
497 Department of Revenue shall be authorized to discuss and examine
498 information to which this section applies at the offices of the



499 Mississippi Department of Revenue. This disclosure is limited to
500 information necessary to properly administer the programs under
501 the jurisdiction of the Mississippi Development Authority. The
502 Department of Revenue is authorized to disclose to officers and
503 employees of the Mississippi Development Authority who execute a
504 confidentiality agreement the information necessary under the
505 circumstances. The same prohibitions against disclosure which
506 apply to the Department of Revenue shall apply to the officers or
507 employees of the Mississippi Development Authority.

508 (4) Information required by the University Research Center
509 to prepare the analyses required by Sections 57-13-101 through
510 57-13-109 shall be furnished to the University Research Center
511 upon request. It shall be unlawful for any officer or employee of
512 the University Research Center to divulge or make known in any
513 manner any particulars set forth or disclosed in any information
514 received by the center from the Department of Revenue other than
515 as may be required by Sections 57-13-101 through 57-13-109 in an
516 analysis prepared pursuant to Sections 57-13-101 through
517 57-13-109.

518 (5) Information required by the Mississippi Development
519 Authority to prepare the reports required by Section 57-1-12.2
520 shall be furnished to the Mississippi Development Authority upon
521 request. It shall be unlawful for any officer or employee of the
522 Mississippi Development Authority to divulge or make known in any
523 manner the amount of income or any particulars set forth or



524 disclosed in any information received by the Mississippi
525 Development Authority from the Department of Revenue other than as
526 may be required by Section 57-1-12.2 in a report prepared pursuant
527 to Section 57-1-12.2.

528 (6) Information necessary to comply with Chapter 13, Title
529 85 may be furnished to financial institutions. It shall be
530 unlawful for any officer or employee of the financial institution
531 to divulge or make known in any manner the amount of income or any
532 particulars set forth or disclosed in any information received by
533 the financial institution from the Department of Revenue other
534 than as may be authorized by Chapter 13, Title 85.

535 (7) The Commissioner of Revenue and the Department of
536 Revenue are authorized to discuss with and provide the Attorney
537 General or his designated representative with information related
538 to an offer to compromise and settle any doubtful claim regarding
539 a finally determined tax liability as authorized by Section 1 of
540 this act. It shall be unlawful for the Attorney General or any
541 officer or employee of the Attorney General to divulge or make
542 known in any manner the amount of income or any particulars set
543 forth or disclosed in any information received by the Attorney
544 General's office from the Commissioner of Revenue or Department of
545 Revenue other than as may be required by Section 1 of this act.

546 (* * *8) Nothing in this section shall prohibit the
547 Commissioner of Revenue from making available information



548 necessary to recover taxes owing the state pursuant to the
549 authority granted in Section 27-75-16, Mississippi Code of 1972.

550 (* * *9) Any person violating the provisions of this
551 section shall be guilty of a misdemeanor and, on conviction, shall
552 be punished by a fine of not exceeding Five Hundred Dollars
553 (\$500.00), or by imprisonment not exceeding one (1) year, or both,
554 at the discretion of the court, and if the offender be an officer
555 or employee of the state he shall be dismissed from office and be
556 incapable of holding any public office in this state for a period
557 of five (5) years thereafter.

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

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

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



573 include only those orders entered by a court of record in this
574 state after furnishing notice and a hearing to the taxpayer and
575 the Department of Revenue. The court shall not authorize the
576 furnishing of such information unless it is satisfied that the
577 information is needed to pursue pending litigation wherein the
578 return itself is in issue, or the judge is satisfied that the need
579 for furnishing the information outweighs the rights of the
580 taxpayer to have such information secreted.

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

583 (a) Members and employees of the Department of Revenue
584 and the income tax department thereof, for the purpose of
585 checking, comparing and correcting returns;

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

589 (c) The revenue department of other states or the
590 federal government when said states or federal government grants a
591 like comity to Mississippi.

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



597 (4) Officers and employees of the Mississippi Development
598 Authority who execute a confidentiality agreement with the
599 Department of Revenue shall be authorized to discuss and examine
600 information to which this section applies at the offices of the
601 Mississippi Department of Revenue. This disclosure is limited to
602 information necessary to properly administer the programs under
603 the jurisdiction of the Mississippi Development Authority. The
604 Department of Revenue is authorized to disclose to officers and
605 employees of the Mississippi Development Authority who execute a
606 confidentiality agreement the information necessary under the
607 circumstances. The same prohibitions against disclosure which
608 apply to the Department of Revenue shall apply to the officers or
609 employees of the Mississippi Development Authority.

610 (5) Information required by the University Research Center
611 to prepare the analyses required by Sections 57-13-101 through
612 57-13-109 shall be furnished to the University Research Center
613 upon request. It shall be unlawful for any officer or employee of
614 the University Research Center to divulge or make known in any
615 manner the amount of income or any particulars set forth or
616 disclosed in any information received by the center from the
617 Department of Revenue other than as may be required by Sections
618 57-13-101 through 57-13-109 in an analysis prepared pursuant to
619 Sections 57-13-101 through 57-13-109.

620 (6) Information required by the Mississippi Development
621 Authority to prepare the reports required by Section 57-1-12.2



622 shall be furnished to the Mississippi Development Authority upon
623 request. It shall be unlawful for any officer or employee of the
624 Mississippi Development Authority to divulge or make known in any
625 manner the amount of income or any particulars set forth or
626 disclosed in any information received by the Mississippi
627 Development Authority from the Department of Revenue other than as
628 may be required by Section 57-1-12.2 in a report prepared pursuant
629 to Section 57-1-12.2.

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

637 (8) The Commissioner of Revenue and the Department of
638 Revenue are authorized to discuss with and provide the Attorney
639 General or his designated representative with information related
640 to an offer to compromise and settle any doubtful claim regarding
641 a finally determined tax liability as authorized by Section 1 of
642 this act. It shall be unlawful for the Attorney General or any
643 officer or employee of the Attorney General to divulge or make
644 known in any manner the amount of income or any particulars set
645 forth or disclosed in any information received by the Attorney



646 General's office from the Commissioner of Revenue or Department of
647 Revenue other than as may be required by Section 1 of this act.

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

652 (* * *10) The Department of Revenue is authorized to
653 disclose to the Child Support Unit and to the Fraud Investigation
654 Unit of the Department of Human Services without the need for a
655 subpoena or proper judicial order the name, address, social
656 security number, amount of income, amount of sales tax, source of
657 income, assets and other relevant information, records and tax
658 forms for individuals who are delinquent in the payment of any
659 child support as defined in Section 93-11-101 or who are under
660 investigation for fraud or abuse of any state or federal program
661 or statute as provided in Section 43-1-23.

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

