

**As Amended by House Committee**

*Session of 2010*

**HOUSE BILL No. 2497**

By Committee on Local Government

1-21

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

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

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

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

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

43 (2) allow the inspection of returns by the attorney general or other

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

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

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

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

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

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

36 (14) *provide such information to the state treasurer for the sole pur-*  
37 *pose of carrying out the provisions of K.S.A. 58-3934 et seq., and amend-*  
38 *ments thereto. This includes, but is not limited to, current and prior ad-*  
39 *resses of taxpayers or associated ~~individuals~~ persons who may have*  
40 *knowledge as to the location of an owner of unclaimed property. For the*  
41 *purposes of this paragraph, "associated persons" includes spouses or de-*  
42 *pendents listed on income tax returns.*

43 (d) Any person receiving information under the provisions of subsec-

1 tion (c) shall be subject to the confidentiality provisions of subsection (b)  
2 and to the penalty provisions of subsection (e).

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

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

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

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