2007 ASSEMBLY BILL 516

October 2, 2007 – Introduced by Representatives BLACK, MUSSER, JORGENSEN, ZEPNICK, POCAN, SEIDEL, BERCEAU and A. WILLIAMS, cosponsored by Senators JAUCH, SULLIVAN, LEHMAN and HANSEN. Referred to Committee on Ways and Means.

AN ACT to amend 71.78 (1); and to create 71.78 (9m) of the statutes; relating to: disclosing income and franchise tax settlements and audits.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Revenue (DOR) may not disclose information contained in an income or franchise tax return or claim submitted to DOR, except under limited circumstances which are generally related to tax administration and law enforcement. Under this bill, DOR must disclose to any person the amount of and the reason for any audit of or settlement relating to a return or claim filed by a corporation that increases the corporation’s tax liability for any taxable year by at least $100,000.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 71.78 (1) of the statutes is amended to read:

71.78 (1) DIVULGING INFORMATION. Except as provided in subs. (4), (4m), (9m), and (10), no person may divulge or circulate or offer to obtain, divulge or circulate any information derived from an income, franchise, withholding, fiduciary, partnership,
limited liability company or gift tax return or tax credit claim, including information
which may be furnished by the department as provided in this section. This
subsection does not prohibit publication by any newspaper of information lawfully
derived from such returns or claims for purposes of argument or prohibit any public
speaker from referring to such information in any address. This subsection does not
prohibit the department from publishing statistics classified so as not to disclose the
identity of particular returns, or claims or reports and the items thereof. This
subsection does not prohibit employees or agents of the department of revenue from
offering or submitting any return, including joint returns of a spouse or former
spouse, separate returns of a spouse, individual returns of a spouse or former spouse
and combined individual income tax returns, or from offering or submitting any
claim, schedule, exhibit, writing or audit report or a copy of, and any information
derived from, any of those documents as evidence into the record of any contested
matter involving the department in proceedings or litigation on state tax matters if,
in the department’s judgment, that evidence has reasonable probative value.

SECTION 2. 71.78 (9m) of the statutes is created to read:

71.78 (9m) DISCLOSURE OF AUDITS AND SETTLEMENTS. The department shall
disclose to any person the amount of and the reason for any audit of or settlement
relating to a return or claim filed by a corporation that increases the corporation’s
tax liability for any taxable year by at least $100,000.

(END)