

REFERENCE TITLE: empowerment scholarship accounts; qualified students

State of Arizona
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SB 1396

Introduced by
Senators Allen S: Farnsworth D, Livingston; Representatives Barto, Carroll

AN ACT

AMENDING SECTIONS 15-2401, 15-2402 AND 42-2003, ARIZONA REVISED STATUTES;
RELATING TO EMPOWERMENT SCHOLARSHIP ACCOUNTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-2401, Arizona Revised Statutes, is amended to
3 read:

4 15-2401. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Annual education plan" means an initial individualized
7 evaluation and subsequent annual reviews that are developed for a
8 qualified student who meets the criteria specified in paragraph 7,
9 subdivision (a), item (i), (ii) or (iii) of this section to determine
10 ongoing annual eligibility through the school year in which the qualified
11 student reaches twenty-two years of age and whether the student may be
12 eligible pursuant to section 36-2981 and should be referred for
13 eligibility determination.

14 2. "Curriculum" means a complete course of study for content areas
15 or grade levels, including any supplemental materials required by the
16 curriculum, approved by the department.

17 3. "Department" means the department of education.

18 4. "Eligible postsecondary institution" means a community college
19 as defined in section 15-1401, a university under the jurisdiction of the
20 Arizona board of regents or an accredited private postsecondary
21 institution.

22 5. "Parent" means a resident of this state who is the parent or
23 legal guardian of a qualified student.

24 6. "Qualified school" means a nongovernmental primary or secondary
25 school or a preschool for pupils with disabilities that is located in this
26 state and that does not discriminate on the basis of race, color or
27 national origin.

28 7. "Qualified student" means a resident of this state who:

29 (a) Is any of the following:

30 (i) Identified as having a disability under section 504 of the
31 rehabilitation act of 1973 (29 United States Code section 794).

32 (ii) Identified by a school district or by an independent third
33 party pursuant to section 15-2403, subsection I as a child with a
34 disability as defined in section 15-731 or 15-761.

35 (iii) A child with a disability who is eligible to receive services
36 from a school district under section 15-763.

37 (iv) Attending a school or school district that has been assigned a
38 letter grade of D or F pursuant to section 15-241 or who is currently
39 eligible to attend kindergarten and who resides within the attendance
40 boundary of a school that has been assigned a letter grade of D or F
41 pursuant to section 15-241.

42 (v) A previous recipient of a scholarship issued pursuant to
43 section 15-891 or this section, unless the qualified student's parent has
44 been removed from eligibility in the program for failure to comply
45 pursuant to section 15-2403, subsection C.

1 (vi) A child of a parent who is a member of the armed forces of the
2 United States and who is on active duty or was killed in the line of
3 duty. A child who meets the requirements of this item is not subject to
4 subdivision (b) of this paragraph.

5 (vii) A child who is a ward of the juvenile court and who is
6 residing with a prospective permanent placement pursuant to section 8-862
7 and the case plan is adoption or permanent guardianship.

8 (viii) A child who was a ward of the juvenile court and who
9 achieved permanency through adoption or permanent guardianship.

10 (ix) A child who is the sibling of a current or previous ARIZONA
11 empowerment scholarship account recipient or of an eligible qualified
12 student who accepts the terms of and enrolls in the ARIZONA empowerment
13 scholarship program.

14 (x) A child who resides within the boundaries of an Indian
15 reservation in this state as determined by the department of education or
16 a tribal government.

17 (xi) A child of a parent who is legally blind ~~pursuant to section~~
18 ~~41-1973, subsection c~~ or deaf or hard of hearing ~~pursuant to~~ AS DEFINED IN
19 section 36-1941.

20 (xii) A CHILD WHOSE FAMILY INCOME DOES NOT EXCEED ONE HUNDRED
21 EIGHTY-FIVE PERCENT OF THE INCOME LIMIT REQUIRED TO QUALIFY A CHILD FOR
22 REDUCED-PRICE LUNCHES UNDER THE NATIONAL SCHOOL LUNCH AND CHILD NUTRITION
23 ACTS (42 UNITED STATES CODE SECTIONS 1751 THROUGH 1785).

24 (b) And, except as provided in subdivision (a), item (vi) of this
25 paragraph, who meets any of the following requirements:

26 (i) Attended a governmental primary or secondary school as a
27 full-time student as defined in section 15-901 for at least the first one
28 hundred days of the prior fiscal year and who transferred from a
29 governmental primary or secondary school under a contract to participate
30 in an ARIZONA empowerment scholarship account. First, second and third
31 grade students who are enrolled in Arizona online instruction must receive
32 four hundred hours of logged instruction to be eligible pursuant to this
33 item. Fourth, fifth and sixth grade students who are enrolled in Arizona
34 online instruction must receive five hundred hours of logged instruction
35 to be eligible pursuant to this item. Seventh and eighth grade students
36 who are enrolled in Arizona online instruction must receive five hundred
37 fifty hours of logged instruction to be eligible pursuant to this item.
38 High school students who are enrolled in Arizona online instruction must
39 receive five hundred hours of logged instruction to be eligible pursuant
40 to this item.

41 (ii) Previously participated in the ARIZONA empowerment scholarship
42 account program.

43 (iii) Received a scholarship under section 43-1505 and who
44 continues to attend a qualified school if the student attended a
45 governmental primary or secondary school as a full-time student as defined

1 in section 15-901 for at least ninety days of the prior fiscal year or one
2 full semester ~~prior to~~ BEFORE attending a qualified school.

3 (iv) Was eligible for an Arizona scholarship for pupils with
4 disabilities and received monies from a school tuition organization
5 pursuant to section 43-1505 or received an Arizona scholarship for pupils
6 with disabilities but did not receive monies from a school tuition
7 organization pursuant to section 43-1505 and who continues to attend a
8 qualified school if the student attended a governmental primary or
9 secondary school as a full-time student as defined in section 15-901 for
10 at least ninety days of the prior fiscal year or one full semester prior
11 to attending a qualified school.

12 (v) Has not previously attended a governmental primary or secondary
13 school but is currently eligible to enroll in a kindergarten program in a
14 school district or charter school in this state or attended a program for
15 preschool children with disabilities.

16 (vi) Has not previously attended a governmental primary or
17 secondary school but is currently eligible to enroll in a program for
18 preschool children with disabilities in this state.

19 8. "Treasurer" means the office of the state treasurer.

20 Sec. 2. Section 15-2402, Arizona Revised Statutes, is amended to
21 read:

22 15-2402. Arizona empowerment scholarship accounts; funds

23 A. Arizona empowerment scholarship accounts are established to
24 provide options for the education of students in this state.

25 B. To enroll a qualified student for an ARIZONA empowerment
26 scholarship account, the parent of the qualified student must sign an
27 agreement to do all of the following:

28 1. Use a portion of the ARIZONA empowerment scholarship account
29 monies allocated annually to provide an education for the qualified
30 student in at least the subjects of reading, grammar, mathematics, social
31 studies and science, unless the ARIZONA empowerment scholarship account is
32 allocated monies according to a transfer schedule other than quarterly
33 transfers pursuant to section 15-2403, subsection F.

34 2. Not enroll the qualified student in a school district or charter
35 school and release the school district from all obligations to educate the
36 qualified student. This paragraph does not relieve the school district or
37 charter school that the qualified student previously attended from the
38 obligation to conduct an evaluation pursuant to section 15-766.

39 3. Not accept a scholarship from a school tuition organization
40 pursuant to title 43 concurrently with an ARIZONA empowerment scholarship
41 account for the qualified student in the same year a parent signs the
42 agreement pursuant to this section.

43 4. Use the ~~money~~ MONIES deposited in the qualified student's
44 Arizona empowerment scholarship account only for the following expenses of
45 the qualified student:

- 1 (a) Tuition or fees at a qualified school.
2 (b) Textbooks required by a qualified school.
3 (c) If the qualified student meets any of the criteria specified in
4 section 15-2401, paragraph ~~6~~ 7, subdivision (a), item (i), (ii) or (iii)
5 as determined by a school district or by an independent third party
6 pursuant to section 15-2403, subsection I, the qualified student may use
7 the following additional services:
8 (i) Educational therapies from a licensed or accredited
9 practitioner or provider.
10 (ii) A licensed or accredited paraprofessional or educational aide.
11 (iii) Tuition for vocational and life skills education approved by
12 the department.
13 (iv) Associated services that include educational and psychological
14 evaluations, assistive technology rentals and braille translation services
15 approved by the department.
16 (d) Tutoring or teaching services provided by an individual or
17 facility accredited by a state, regional or national accrediting
18 organization.
19 (e) Curricula.
20 (f) Tuition or fees for a nonpublic online learning program.
21 (g) Fees for a nationally standardized norm-referenced achievement
22 test, an advanced placement examination or any exams related to college or
23 university admission.
24 (h) Contributions to a Coverdell education savings account
25 established pursuant to 26 United States Code section 530 for the benefit
26 of the qualified student, except that ~~money~~ MONIES used for elementary or
27 secondary education expenses must be for expenses otherwise allowed under
28 this section.
29 (i) Tuition or fees at an eligible postsecondary institution.
30 (j) Textbooks required by an eligible postsecondary institution.
31 (k) Fees ~~for management of~~ TO MANAGE the ARIZONA empowerment
32 scholarship account.
33 (l) Services provided by a public school, including individual
34 classes and extracurricular programs.
35 (m) Insurance or surety bond payments.
36 (n) Uniforms purchased from or through a qualified school.
37 (o) Beginning January 1, 2017, if the qualified student meets the
38 criteria specified in section 15-2401, paragraph 7, subdivision (a), item
39 (i), (ii) or (iii) and if the qualified student is in the second year
40 prior to the final year of a contract executed pursuant to this article,
41 costs associated with an annual education plan conducted by an independent
42 evaluation team. The department shall prescribe minimum qualifications
43 for independent evaluation teams pursuant to this subdivision and factors
44 that teams must use to determine whether the qualified student shall be
45 eligible to continue to receive monies pursuant to this article through

1 the school year in which the qualified student reaches twenty-two years of
2 age. An independent evaluation team that provides an annual education
3 plan pursuant to this subdivision shall submit a written report that
4 summarizes the results of the evaluation to the parent of the qualified
5 student and to the department on or before July 31. The written report
6 submitted by the independent evaluation team is valid for one year. If
7 the department determines that the qualified student meets the eligibility
8 criteria prescribed in the annual education plan, the qualified student is
9 eligible to continue to receive monies pursuant to this article until the
10 qualified student reaches twenty-two years of age, subject to annual
11 review. A parent may appeal the department's decision pursuant to title
12 41, chapter 6, article 10. As an addendum to a qualified student's final-
13 year contract, the department shall provide the following written
14 information to the parent of the qualified student:

15 (i) That the qualified student will not be eligible to continue to
16 receive monies pursuant to this article unless the results of an annual
17 education plan conducted pursuant to this subdivision demonstrate that the
18 qualified student meets the eligibility criteria prescribed in the annual
19 education plan.

20 (ii) That the parent is entitled to obtain an annual education plan
21 pursuant to this subdivision to determine whether the qualified student
22 meets the eligibility criteria prescribed in the annual education plan.

23 (iii) A list of independent evaluation teams that meet the minimum
24 qualifications prescribed by the department pursuant to this subdivision.

25 5. Not file an affidavit of intent to homeschool pursuant to
26 section 15-802, subsection B, paragraph 2 or 3.

27 6. Not use monies deposited in the qualified student's account for
28 any of the following:

29 (a) Computer hardware or other technological devices.

30 (b) Transportation of the pupil.

31 (c) Consumable educational supplies, including paper, pens or
32 markers.

33 C. In exchange for the parent's agreement pursuant to subsection B
34 of this section, the department shall transfer from the monies that would
35 otherwise be allocated to a recipient's prior school district, or if the
36 child is currently eligible to attend kindergarten, the monies that the
37 department determines would otherwise be allocated to a recipient's
38 expected school district of attendance, to the treasurer for deposit into
39 an Arizona empowerment scholarship account an amount that is equivalent to
40 ninety percent of the sum of the base support level and additional
41 assistance prescribed in sections 15-185 and 15-943 for that particular
42 student if that student were attending a charter school. The department
43 may retain up to five percent of the sum of the base support level and
44 additional assistance prescribed in sections 15-185 and 15-943 for each
45 student with an **ARIZONA** empowerment scholarship account for deposit in the

1 department of education empowerment scholarship account fund established
 2 ~~it~~ BY subsection D of this section, out of which the department shall
 3 transfer one percent of the sum of the base support level and additional
 4 assistance prescribed in sections 15-185 and 15-943 for each student with
 5 an empowerment scholarship account to the state treasurer for deposit in
 6 the state treasurer empowerment scholarship account fund established ~~it~~ BY
 7 subsection E of this section.

8 D. The department of education empowerment scholarship account fund
 9 is established consisting of monies retained by the department pursuant to
 10 subsection C of this section. The department shall administer the fund.
 11 Monies in the fund are subject to legislative appropriation. Monies in
 12 the fund shall be used for the department's costs in administering ARIZONA
 13 empowerment scholarship accounts under this chapter. Monies in the fund
 14 are exempt from the provisions of section 35-190 relating to lapsing of
 15 appropriations. If the number of ARIZONA empowerment scholarship accounts
 16 significantly increases after fiscal year 2012-2013, the department may
 17 request an increase in the amount appropriated to the fund in any
 18 subsequent fiscal year in the budget estimate submitted pursuant to
 19 section 35-113.

20 E. The state treasurer empowerment scholarship account fund is
 21 established consisting of monies transferred by the department to the
 22 state treasurer pursuant to subsection C of this section. The state
 23 treasurer shall administer the fund. Monies in the fund shall be used for
 24 the state treasurer's costs in administering the ARIZONA empowerment
 25 scholarship accounts under this chapter. If the number of ARIZONA
 26 empowerment scholarship accounts significantly increases after fiscal year
 27 2013-2014, the state treasurer may request an increase in the amount
 28 appropriated to the fund in any subsequent fiscal year in the budget
 29 estimate submitted pursuant to section 35-113. Monies in the fund are
 30 subject to legislative appropriation. Monies in the fund are exempt from
 31 the provisions of section 35-190 relating to lapsing of appropriations.

32 F. A parent must renew the qualified student's ARIZONA empowerment
 33 scholarship account on an annual basis. Notwithstanding any changes to
 34 the student's multidisciplinary evaluation team plan, a student who has
 35 previously qualified for an ARIZONA empowerment scholarship account ~~shall~~
 36 ~~remain~~ REMAINS eligible to apply for renewal until the student finishes
 37 high school.

38 G. A signed agreement under this section constitutes school
 39 attendance required by section 15-802.

40 H. A qualified school or a provider of services purchased pursuant
 41 to subsection B, paragraph 4 of this section may not share, refund or
 42 rebate any Arizona empowerment scholarship account monies with the parent
 43 or qualified student in any manner.

44 I. On the qualified student's graduation from a postsecondary
 45 institution or after any period of four consecutive years after high

1 school graduation in which the student is not enrolled in an eligible
2 postsecondary institution, the qualified student's Arizona empowerment
3 scholarship account shall be closed and any remaining ~~funds~~ MONIES shall
4 be returned to the state.

5 J. Monies received pursuant to this article do not constitute
6 taxable income to the parent of the qualified student.

7 K. THE DEPARTMENT OF REVENUE AND THE DEPARTMENT OF EDUCATION SHALL
8 DEVELOP A PROCESS AND PROCEDURES TO DETERMINE WHETHER A STUDENT MEETS THE
9 REQUIREMENTS OF SECTION 15-2401, PARAGRAPH 7, SUBDIVISION (a), ITEM (xii).
10 THE DEPARTMENT OF EDUCATION MAY REQUEST THE DEPARTMENT OF REVENUE TO
11 VERIFY THE INCOME LEVEL OF A PARENT USING AVAILABLE INFORMATION AND DATA
12 AT THE DEPARTMENT OF REVENUE. THE DEPARTMENT OF REVENUE MAY VERIFY ONLY
13 WHETHER THE STUDENT MEETS THE REQUIREMENTS OF SECTION 15-2401, PARAGRAPH
14 7, SUBDIVISION (a), ITEM (xii) AND MAY NOT TRANSFER ANY OTHER INCOME DATA
15 TO THE DEPARTMENT OF EDUCATION. THE DEPARTMENT OF REVENUE AND THE
16 DEPARTMENT OF EDUCATION MAY DEVELOP ALTERNATIVE FORMS OF INCOME
17 VERIFICATION FOR FAMILIES THAT ARE NOT REQUIRED BY LAW TO FILE STATE
18 INCOME TAX RETURNS.

19 Sec. 3. Section 42-2003, Arizona Revised Statutes, is amended to
20 read:

21 42-2003. Authorized disclosure of confidential information

22 A. Confidential information relating to:

23 1. A taxpayer may be disclosed to the taxpayer, its successor in
24 interest or a designee of the taxpayer who is authorized in writing by the
25 taxpayer. A principal corporate officer of a parent corporation may
26 execute a written authorization for a controlled subsidiary.

27 2. A corporate taxpayer may be disclosed to any principal officer,
28 any person designated by a principal officer or any person designated in a
29 resolution by the corporate board of directors or other similar governing
30 body. If a corporate officer signs a statement under penalty of perjury
31 representing that the officer is a principal officer, the department may
32 rely on the statement until the statement is shown to be false. For the
33 purposes of this paragraph, "principal officer" includes a chief executive
34 officer, president, secretary, treasurer, vice president of tax, chief
35 financial officer, chief operating officer or chief tax officer or any
36 other corporate officer who has the authority to bind the taxpayer on
37 matters related to state taxes.

38 3. A partnership may be disclosed to any partner of the
39 partnership. This exception does not include disclosure of confidential
40 information of a particular partner unless otherwise authorized.

41 4. A limited liability company may be disclosed to any member of
42 the company or, if the company is manager-managed, to any manager.

43 5. An estate may be disclosed to the personal representative of the
44 estate and to any heir, next of kin or beneficiary under the will of the
45 decedent if the department finds that the heir, next of kin or beneficiary

1 has a material interest that will be affected by the confidential
2 information.

3 6. A trust may be disclosed to the trustee or trustees, jointly or
4 separately, and to the grantor or any beneficiary of the trust if the
5 department finds that the grantor or beneficiary has a material interest
6 that will be affected by the confidential information.

7 7. A government entity may be disclosed to the head of the entity
8 or a member of the governing board of the entity, or any employee of the
9 entity who has been delegated the authorization in writing by the head of
10 the entity or the governing board of the entity.

11 8. Any taxpayer may be disclosed if the taxpayer has waived any
12 rights to confidentiality either in writing or on the record in any
13 administrative or judicial proceeding.

14 9. The name and taxpayer identification numbers of persons issued
15 direct payment permits may be publicly disclosed.

16 10. Any taxpayer may be disclosed during a meeting or telephone
17 call if the taxpayer is present during the meeting or telephone call and
18 authorizes the disclosure of confidential information.

19 B. Confidential information may be disclosed to:

20 1. Any employee of the department whose official duties involve tax
21 administration.

22 2. The office of the attorney general solely for its use in
23 preparation for, or in an investigation that may result in, any proceeding
24 involving tax administration before the department or any other agency or
25 board of this state, or before any grand jury or any state or federal
26 court.

27 3. The department of liquor licenses and control for its use in
28 determining whether a spirituous liquor licensee has paid all transaction
29 privilege taxes and affiliated excise taxes incurred as a result of the
30 sale of spirituous liquor, as defined in section 4-101, at the licensed
31 establishment and imposed on the licensed establishments by this state and
32 its political subdivisions.

33 4. Other state tax officials whose official duties require the
34 disclosure for proper tax administration purposes if the information is
35 sought in connection with an investigation or any other proceeding
36 conducted by the official. Any disclosure is limited to information of a
37 taxpayer who is being investigated or who is a party to a proceeding
38 conducted by the official.

39 5. The following agencies, officials and organizations, if they
40 grant substantially similar privileges to the department for the type of
41 information being sought, pursuant to statute and a written agreement
42 between the department and the foreign country, agency, state, Indian
43 tribe or organization:

44 (a) The United States internal revenue service, alcohol and tobacco
45 tax and trade bureau of the United States treasury, United States bureau

1 of alcohol, tobacco, firearms and explosives of the United States
2 department of justice, United States drug enforcement agency and federal
3 bureau of investigation.

4 (b) A state tax official of another state.

5 (c) An organization of states, federation of tax administrators or
6 multistate tax commission that operates an information exchange for tax
7 administration purposes.

8 (d) An agency, official or organization of a foreign country with
9 responsibilities that are comparable to those listed in subdivision (a),
10 (b) or (c) of this paragraph.

11 (e) An agency, official or organization of an Indian tribal
12 government with responsibilities comparable to the responsibilities of the
13 agencies, officials or organizations identified in subdivision (a), (b) or
14 (c) of this paragraph.

15 6. The auditor general, in connection with any audit of the
16 department subject to the restrictions in section 42-2002, subsection D.

17 7. Any person to the extent necessary for effective tax
18 administration in connection with:

19 (a) The processing, storage, transmission, destruction and
20 reproduction of the information.

21 (b) The programming, maintenance, repair, testing and procurement
22 of equipment for purposes of tax administration.

23 (c) The collection of the taxpayer's civil liability.

24 8. The office of administrative hearings relating to taxes
25 administered by the department pursuant to section 42-1101, but the
26 department shall not disclose any confidential information without the
27 taxpayer's written consent:

28 (a) Regarding income tax or withholding tax.

29 (b) On any tax issue relating to information associated with the
30 reporting of income tax or withholding tax.

31 9. The United States treasury inspector general for tax
32 administration for the purpose of reporting a violation of internal
33 revenue code section 7213A (26 United States Code section 7213A),
34 unauthorized inspection of returns or return information.

35 10. The financial management service of the United States treasury
36 department for use in the treasury offset program.

37 11. The United States treasury department or its authorized agent
38 for use in the state income tax levy program and in the electronic federal
39 tax payment system.

40 12. The Arizona commerce authority for its use in:

41 (a) Qualifying renewable energy operations for the tax incentives
42 under section 42-12006.

43 (b) Qualifying businesses with a qualified facility for income tax
44 credits under sections 43-1083.03 and 43-1164.04.

1 (c) Fulfilling its annual reporting responsibility pursuant to
2 section 41-1511, subsections U and V and section 41-1512, subsections U
3 and V.

4 (d) Certifying computer data centers for tax relief under section
5 41-1519.

6 13. A prosecutor for purposes of section 32-1164, subsection C.

7 14. The office of the state fire marshal for use in determining
8 compliance with and enforcing title 37, chapter 9, article 5.

9 15. The department of transportation for its use in administering
10 taxes, surcharges and penalties prescribed by title 28.

11 16. The Arizona health care cost containment system administration
12 for its use in administering nursing facility provider assessments.

13 17. The department of administration risk management division and
14 the office of the attorney general if the information relates to a claim
15 against this state pursuant to section 12-821.01 involving the department
16 of revenue.

17 18. Another state agency if the taxpayer authorizes the disclosure
18 of confidential information in writing, including an authorization that is
19 part of an application form or other document submitted to the agency.

20 19. The department of economic security for its use in determining
21 whether an employer has paid all amounts due under the unemployment
22 insurance program pursuant to title 23, chapter 4.

23 20. THE DEPARTMENT OF EDUCATION TO VERIFY INCOME ELIGIBILITY
24 PURSUANT TO SECTION 15-2402, SUBSECTION K.

25 C. Confidential information may be disclosed in any state or
26 federal judicial or administrative proceeding pertaining to tax
27 administration pursuant to the following conditions:

28 1. One or more of the following circumstances must apply:

29 (a) The taxpayer is a party to the proceeding.

30 (b) The proceeding arose out of, or in connection with, determining
31 the taxpayer's civil or criminal liability, or the collection of the
32 taxpayer's civil liability, with respect to any tax imposed under this
33 title or title 43.

34 (c) The treatment of an item reflected on the taxpayer's return is
35 directly related to the resolution of an issue in the proceeding.

36 (d) Return information directly relates to a transactional
37 relationship between a person who is a party to the proceeding and the
38 taxpayer and directly affects the resolution of an issue in the
39 proceeding.

40 2. Confidential information may not be disclosed under this
41 subsection if the disclosure is prohibited by section 42-2002, subsection
42 C or D.

43 D. Identity information may be disclosed for purposes of notifying
44 persons entitled to tax refunds if the department is unable to locate the
45 persons after reasonable effort.

1 E. The department, on the request of any person, shall provide the
2 names and addresses of bingo licensees as defined in section 5-401, verify
3 whether or not a person has a privilege license and number, a tobacco
4 product distributor's license and number or a withholding license and
5 number or disclose the information to be posted on the department's
6 website or otherwise publicly accessible pursuant to section 42-1124,
7 subsection F and section 42-3401.

8 F. A department employee, in connection with the official duties
9 relating to any audit, collection activity or civil or criminal
10 investigation, may disclose return information to the extent that
11 disclosure is necessary to obtain information that is not otherwise
12 reasonably available. These official duties include the correct
13 determination of and liability for tax, the amount to be collected or the
14 enforcement of other state tax revenue laws.

15 G. Confidential information relating to transaction privilege tax,
16 use tax, severance tax, jet fuel excise and use tax and any other tax
17 collected by the department on behalf of any jurisdiction may be disclosed
18 to any county, city or town tax official if the information relates to a
19 taxpayer who is or may be taxable by a county, city or town or who may be
20 subject to audit by the department pursuant to section 42-6002. Any
21 taxpayer information THAT IS released by the department to the county,
22 city or town:

23 1. May only be used for internal purposes, including audits.

24 2. May not be disclosed to the public in any manner that does not
25 comply with confidentiality standards established by the department. The
26 county, city or town shall agree in writing with the department that any
27 release of confidential information that violates the confidentiality
28 standards adopted by the department will result in the immediate
29 suspension of any rights of the county, city or town to receive taxpayer
30 information under this subsection.

31 H. The department may disclose statistical information gathered
32 from confidential information if it does not disclose confidential
33 information attributable to any one taxpayer. The department may disclose
34 statistical information gathered from confidential information, even if it
35 discloses confidential information attributable to a taxpayer, to:

36 1. The state treasurer in order to comply with the requirements of
37 section 42-5029, subsection A, paragraph 3.

38 2. The joint legislative income tax credit review committee, the
39 joint legislative budget committee staff and the legislative staff in
40 order to comply with the requirements of section 43-221.

41 I. The department may disclose the aggregate amounts of any tax
42 credit, tax deduction or tax exemption enacted after January 1, 1994.
43 Information subject to disclosure under this subsection shall not be
44 disclosed if a taxpayer demonstrates to the department that such
45 information would give an unfair advantage to competitors.

1 J. Except as provided in section 42-2002, subsection C,
2 confidential information, described in section 42-2001, paragraph 1,
3 subdivision (a), item (ii), may be disclosed to law enforcement agencies
4 for law enforcement purposes.

5 K. The department may provide transaction privilege tax license
6 information to property tax officials in a county for the purpose of
7 identification and verification of the tax status of commercial property.

8 L. The department may provide transaction privilege tax, luxury
9 tax, use tax, property tax and severance tax information to the
10 ombudsman-citizens aide pursuant to title 41, chapter 8, article 5.

11 M. Except as provided in section 42-2002, subsection D, a court may
12 order the department to disclose confidential information pertaining to a
13 party to an action. An order shall be made only on a showing of good
14 cause and that the party seeking the information has made demand on the
15 taxpayer for the information.

16 N. This section does not prohibit the disclosure by the department
17 of any information or documents submitted to the department by a bingo
18 licensee. Before disclosing the information, the department shall obtain
19 the name and address of the person requesting the information.

20 O. If the department is required or permitted to disclose
21 confidential information, it may charge the person or agency requesting
22 the information for the reasonable cost of its services.

23 P. Except as provided in section 42-2002, subsection D, the
24 department of revenue shall release confidential information as requested
25 by the department of economic security pursuant to section 42-1122 or
26 46-291. Information disclosed under this subsection is limited to the
27 same type of information that the United States internal revenue service
28 is authorized to disclose under section 6103(l)(6) of the internal revenue
29 code.

30 Q. Except as provided in section 42-2002, subsection D, the
31 department of revenue shall release confidential information as requested
32 by the courts and clerks of the court pursuant to section 42-1122.

33 R. To comply with the requirements of section 42-5031, the
34 department may disclose to the state treasurer, to the county stadium
35 district board of directors and to any city or town tax official that is
36 part of the county stadium district confidential information attributable
37 to a taxpayer's business activity conducted in the county stadium
38 district.

39 S. The department shall release to the attorney general
40 confidential information as requested by the attorney general for purposes
41 of determining compliance with or enforcing any of the following:

42 1. Any public health control law relating to tobacco sales as
43 provided under title 36, chapter 6, article 14.

44 2. Any law relating to reduced cigarette ignition propensity
45 standards as provided under title 37, chapter 9, article 5.

1 3. Sections 44-7101 and 44-7111, the master settlement agreement
2 referred to in those sections and all agreements regarding disputes under
3 the master settlement agreement.

4 T. For proceedings before the department, the office of
5 administrative hearings, the STATE board of tax appeals or any state or
6 federal court involving penalties that were assessed against a return
7 preparer, an electronic return preparer or a payroll service company
8 pursuant to section 42-1103.02, 42-1125.01 or 43-419, confidential
9 information may be disclosed only before the judge or administrative law
10 judge adjudicating the proceeding, the parties to the proceeding and the
11 parties' representatives in the proceeding prior to its introduction into
12 evidence in the proceeding. The confidential information may be
13 introduced as evidence in the proceeding only if the taxpayer's name, the
14 names of any dependents listed on the return, all social security numbers,
15 the taxpayer's address, the taxpayer's signature and any attachments
16 containing any of the foregoing information are redacted and if either:

17 1. The treatment of an item reflected on such A return is or may be
18 related to the resolution of an issue in the proceeding.

19 2. Such a return or the return information relates or may relate to
20 a transactional relationship between a person who is a party to the
21 proceeding and the taxpayer that directly affects the resolution of an
22 issue in the proceeding.

23 3. The method of payment of the taxpayer's withholding tax
24 liability or the method of filing the taxpayer's withholding tax return is
25 an issue for the period.

26 U. The department and attorney general may share the information
27 specified in subsection S of this section with any of the following:

28 1. Federal, state or local agencies located in this state for the
29 purposes of enforcement of the statutes or agreements specified in
30 subsection S of this section or for the purposes of enforcement of
31 corresponding laws of other states.

32 2. Indian tribes located in this state for the purposes of
33 enforcement of the statutes or agreements specified in subsection S of
34 this section.

35 3. A court, arbitrator, data clearinghouse or similar entity for
36 the purpose of assessing compliance with or making calculations required
37 by the master settlement agreement or agreements regarding disputes under
38 the master settlement agreement, and with counsel for the parties or
39 expert witnesses in any such proceeding, if the information otherwise
40 remains confidential.

41 V. The department may provide the name and address of qualifying
42 hospitals and qualifying health care organizations, as defined in section
43 42-5001, to a business THAT IS classified and reporting transaction
44 privilege tax under the utilities classification.

1 W. The department may disclose to an official of any city, town or
2 county in a current agreement or considering a prospective agreement with
3 the department as described in section 42-5032.02, subsection G any
4 information relating to amounts THAT ARE subject to distribution required
5 by section 42-5032.02. Information disclosed by the department under this
6 subsection:

7 1. May only be used by the city, town or county for internal
8 purposes.

9 2. May not be disclosed to the public in any manner that does not
10 comply with confidentiality standards established by the department. The
11 city, town or county must agree with the department in writing that any
12 release of confidential information that violates the confidentiality
13 standards will result in the immediate suspension of any rights of the
14 city, town or county to receive information under this subsection.

15 X. Notwithstanding any other provision of this section, the
16 department may not disclose information provided by an online lodging
17 marketplace, as defined in section 42-5076, without the written consent of
18 the online lodging marketplace, and the information may be disclosed only
19 pursuant to subsection A, paragraphs 1 through 6, 8 and 10, subsection B,
20 paragraphs 1, 2, 7 and 8 and subsections C and D of this section. Such
21 information:

22 1. Is not subject to disclosure pursuant to title 39, relating to
23 public records.

24 2. May not be disclosed to any agency of this state or of any
25 county, city, town or other political subdivision of this state.