

# HB 1521

## Bill Analysis

February 11, 1997

**Brief Description:** Extending to local agencies the same authority now authorized for state agencies to protect taxpayer information under public records.

**Bill Sponsors:** Representatives B. Thomas, Dickerson and Dunn

**Staff:** Rick Peterson (786-7150)

**Background:** Generally, information held by a public agency is available for inspection and copying. There are a number of exemptions to the public records laws. Many of these exemptions relate to personal information and proprietary business information.

Cities and towns may impose business and utility taxes. These city taxes are collected at the local level and are not related to the administration of the state business and occupation or public utility taxes. About 40 cities have a general business tax. Around 200 cities have utility taxes on electricity, telephones, and cable TV. About 150 cities impose utility taxes on natural gas, garbage, sewer and water services.

Taxpayer information is exempt from inspection and copying if the taxpayer's privacy would be violated or the taxpayer would be placed in a position of unfair competitive disadvantage.

The Department of Revenue collects the majority of state excise taxes. The department must keep tax returns and other information confidential, except in certain circumstances. The department may provide information in court actions, or to the Internal Revenue Service and certain governmental entities.

The Department of Revenue holds the following confidential: tax returns including amendments, supplements, supporting schedules, attachments or lists that are part of the return, and claims for refunds; tax information, including taxpayer's identity, income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax assessments or tax payments; whether a taxpayer will be audited; and other data received or developed by the Department in the course of determining a person's tax liability.

**Summary of Bill:** In addition to the privacy and competitive disadvantage reasons for not disclosing taxpayer information, local taxing agencies may hold tax return and tax information confidential, if it is comparable to taxpayer information kept confidential by the

House of Representatives  
Office of Program Research  
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Department of Revenue.

**Fiscal Note:** Available.

**Effective Date:** If enacted, the bill takes effect 90 days after adjournment of session.