

FINAL BILL REPORT

SB 5568

C 309 L 09
Synopsis as Enacted

Brief Description: Enhancing tax collection tools for the department of revenue in order to promote fairness and administrative efficiency.

Sponsors: Senators Tom, Rockefeller and Shin; by request of Department of Revenue.

Senate Committee on Ways & Means
House Committee on Finance

Background: The Department of Revenue (Department) currently has the authority to request information from third parties by way of an administrative summons. This is used to provide information in regards to an audit, a collection activity, or other type of investigation.

In a recent decision in *State v. Miles*, the Supreme Court ruled that certain information obtained through an administrative summons was not allowed in court. The case involved another agency, other than the Department, but could have impacts on the Department.

Summary: The Department may apply for a subpoena to a superior court or district court to obtain third party information if there is probable cause to believe that records in the possession of the third party will aid the Department in connection with its official duties relating to an audit, collection activity, or a civil or criminal investigation.

The court issuing the subpoena may require the Department to reimburse the third party for reasonable costs incurred in producing the records specified in the subpoena. The third party may not be held civilly liable for any harm resulting from compliance with the subpoena.

The Alcohol and Tobacco Tax and Trade Bureau of the United States Department of Treasury is added to the list of federal agencies that the Department may release otherwise confidential information to.

Votes on Final Passage:

Senate	43	3
House	62	36

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Effective: July 26, 2009