

DEPARTMENT OF TAXATION

2013 Fiscal Impact Statement

1. **Patron** Benjamin L. Cline
3. **Committee** Passed House and Senate
4. **Title** Confidentiality of Tax Information

2. **Bill Number** HB 2092
House of Origin:
☐ Introduced
☐ Substitute
☐ Engrossed
- Second House:**
☐ In Committee
☐ Substitute
☒ Enrolled

5. Summary/Purpose:

This bill would authorize the Tax Commissioner to provide the Department of Agriculture and Consumer Services with the name and address of taxpayers who are licensed by the Commonwealth and identify themselves as subject to Board of Agriculture and Consumer Services regulations to operate food establishments.

The effective date is not specified.

6. Budget amendment necessary: No.

7. No Fiscal Impact. (See Line 8.)

8. Fiscal implications:

This bill would require the Department of Taxation ("the Department") to add a line to its registration form to gather the information that the Virginia Department of Agriculture and Consumer Services ("VDACS") seeks. However, Department believes that it could implement this bill as part of its routine annual changes to systems and forms and is not requesting funding.

The bill would have no impact on tax revenue.

9. Specific agency or political subdivisions affected:

Department of Taxation
Department of Agriculture and Consumer Services

10. Technical amendment necessary: No.

11. Other comments:

Information about a taxpayer's transactions, property, income or business is confidential. Among the exceptions that permit certain information to be disclosed is one that permits

the Department to disclose to VDACS information as may be necessary to identify those applicants for registration as a supplier of charitable gaming supplies.

VDACS is required to inspect food establishments that manufacture, warehouse, or sell food products or dietary supplements, but they have no systematic way of knowing when such businesses open. As alternative to imposing a new licensing requirement on food establishments, VDACS asked the Department of Taxation if a line could be added to the business tax registration form to identify food establishments. While the Department can obtain the information via its registration process, it would be tax information that the Department is prohibited from disclosing absent a statutory exception to the secrecy law.

This bill would add another exception to the secrecy law that would allow the Department to disclose to VDACS information as may be necessary to identify taxpayers subject to regulation by the Board of Agriculture and Consumer Services. This would allow the Department to share with VDACS the names and addresses of new food establishments subject to inspection by VDACS.

Other Bills:

HB 2155 and **SB 1216** (Executive bills making technical corrections related to the transfer of the insurance premium tax from the SCC) would authorize the Tax Commissioner to disclose tax information to another agency that is necessary for the enforcement of state law.

cc : Secretary of Finance

Date: 2/21/2013 JPJ
DLAS File Name: HB2092FER161