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Bill Analysis
Legislative Service Commission

H.B. 127
127th General Assembly
(As Introduced)

Reps. Bacon, Seitz, R. McGregor, J. McGregor, Flowers, Setzer, Stebelton, Adams

BILL SUMMARY

- Permits the disclosure of aggregate municipal income tax information so long as individual taxpayers are not likely to be identified by the disclosure.

CONTENT AND OPERATION

The disclosure of any municipal income tax information gained from returns, investigations, hearings, or verifications is prohibited unless (1) there is a proper judicial order, (2) the disclosure is in connection with the official duties of the person disclosing the information or the official business of the municipal corporation, or (3) the municipal corporation's tax administrator is furnishing copies of returns to the Internal Revenue Service and to the Tax Commissioner (R.C. § 718.13(A)). The bill also permits the disclosure of municipal income tax information pertaining to all taxpayers or a specific class of taxpayers, so long as the information disclosed in aggregate form and no information pertaining to any individual taxpayer is reasonably likely to be identified from the disclosure (R.C. § 718.13(B)). Thus, while authorizing aggregate disclosures of taxpayer information, the bill attempts to maintain individual municipal taxpayer confidentiality, subject, however, to disclosure as explained above (R.C. § 718.13(A)).

COMMENT

The bill is part of a larger statutory scheme that protects the confidentiality of individual taxpayer information. Other, related statutes that are part of this scheme include both of the following:

- R.C. § 5703.21 prohibits tax agents from divulging any information acquired while working for the Department of Taxation as to the transactions, property, or business of any person.
- 26 U.S.C. § 6103 prohibits the Internal Revenue Service and its agents from disclosing tax returns and tax return information.

HISTORY

ACTION	DATE
Introduced	03-27-07

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